

## EUR/USD falls towards \$1.05

Investors remained in a generally cautious mood yesterday against the backdrop of concerns over the interest rate/inflation outlook, war in Ukraine and the Covid situation in China. However, risk appetite did improve somewhat as the day progressed. Equity markets managed to halt their recent slide.

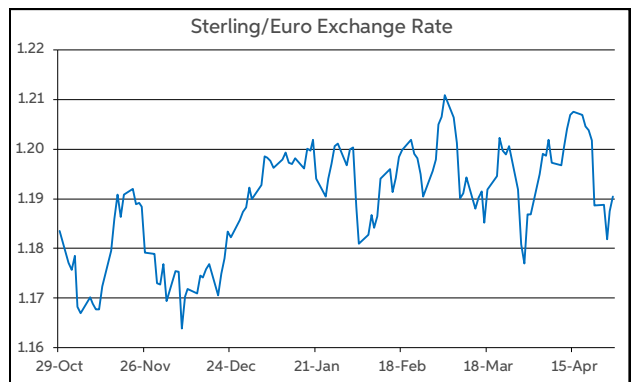
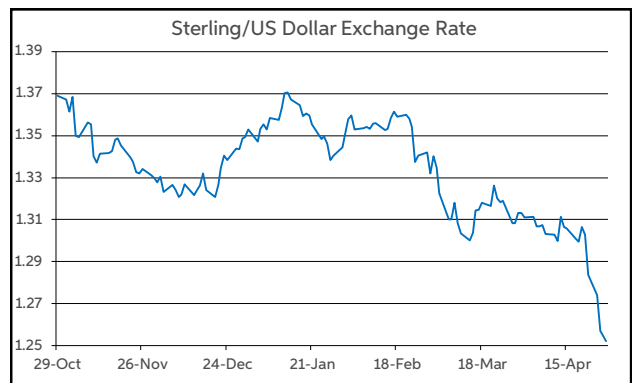
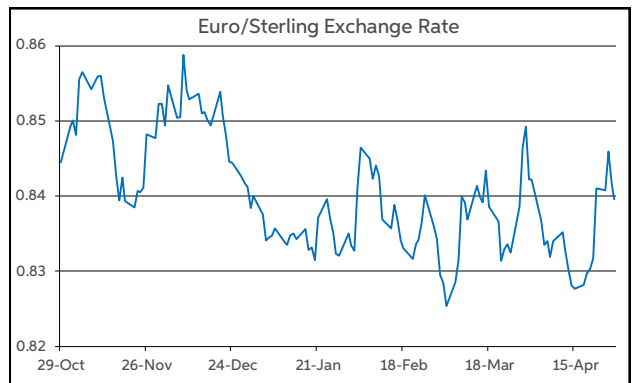
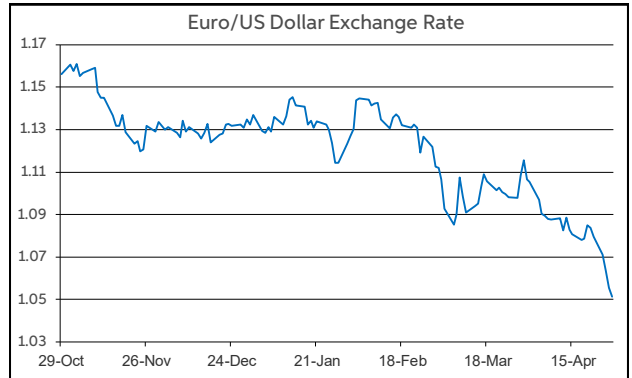
The Euro Stoxx 50 finished the day with a modest 0.4% gain. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 0.2% higher. On bond markets, US Treasury yields moved higher amid the slight firming in investor sentiment. The 10-year yield rose by 10bps to back above 2.8%.

Meantime, the dollar continued to hold the upper hand on currency markets. At the same time, the euro was on the back foot on the exchanges. In level terms, this translated into EUR/USD falling to a new 5-year trough below the \$1.06 threshold. Indeed, in overnight action, the pair fell to a low of \$1.048. It opens this morning down near to \$1.05.

The euro also lost ground to sterling, reflected in EUR/GBP unable to hold onto its position in 84p territory. The pair starts this morning's European session at 83.9p. In other FX action, GBP/USD has continued to trend lower over the past 24 hours. It is changing hands at \$1.252. Elsewhere, the yen remains under pressure after the BoJ re-emphasised its commitment to its low interest rate strategy. USD/JPY is up at ¥130, for the first time since April 2002.

Today's macro diary features US Q1 GDP, with growth expected to slow sharply to 1.1% in annualised terms (from 6.9%). US Core PCE inflation for Q1 is also due. The Eurozone EC sentiment indices and German inflation (both April) are the other key highlights.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0512	-1.28	-7.53
EUR/GBP	0.8396	-0.77	-0.05
GBP/USD	1.252	-0.51	-7.46
GBP/EUR	1.1905	0.77	0.05
USD/JPY	130.07	1.90	13.03
EUR/JPY	136.78	0.61	4.52

\* v Previous Day's European Open  
See Next Page for More Rates

Opening Interest Rates						
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.375	0.76	1.24	2.38	2.89	2.92
EUR	0.00	-0.51	-0.43	0.17	0.85	1.32
GBP	0.75	0.93	1.21	2.05	2.39	2.29

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

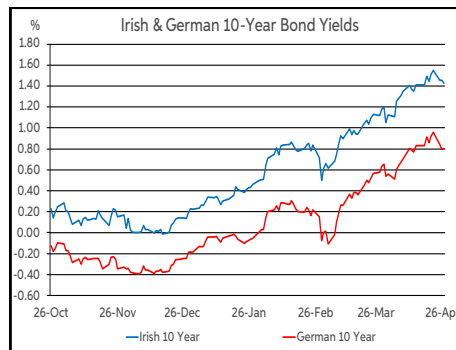
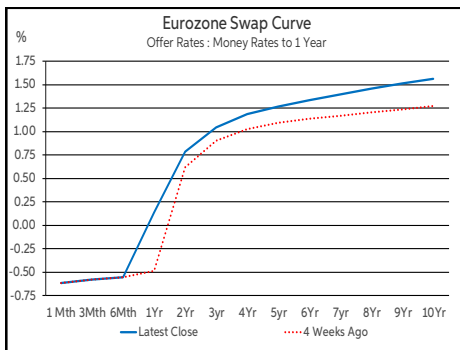
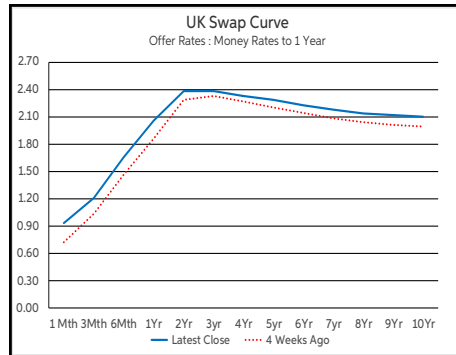
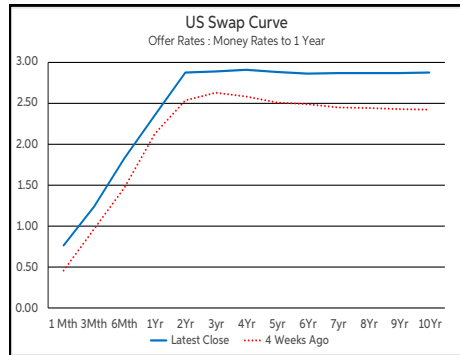
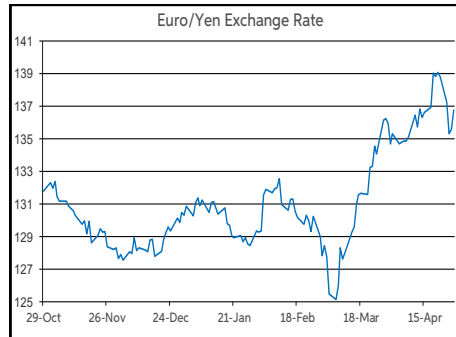
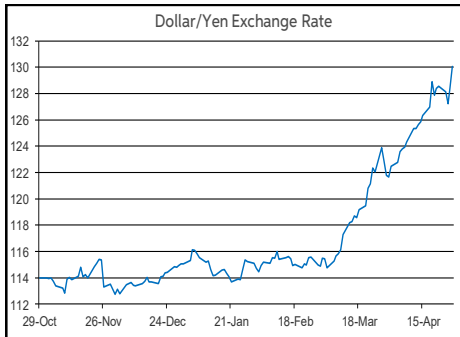
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

Thursday 28 April 2022  
07:19 am



Euro		Sterling		Dollar	
EUR/GBP	0.8396	GBP/EUR	1.1905	USD/JPY	130.07
EUR/USD	1.0512	GBP/USD	1.252	USD/CAD	1.283
EUR/JPY	136.78	GBP/CAD	1.6065	USD/CHF	0.9701
EUR/SEK	10.3771	GBP/NZD	1.9258	USD/CNY	6.6024
EUR/DKK	7.441	GBP/JPY	162.83	USD/BRL	4.9642
EUR/NOK	9.8293	GBP/SEK	12.3548	USD/RUB	73.175
EUR/CHF	1.02	GBP/DKK	8.86	USD/INR	76.628
EUR/AUD	1.4791	GBP/NOK	11.6972	AUD/USD	0.7108
EUR/HKD	8.2507	GBP/CHF	1.2147	NZD/USD	0.65
EUR/CAD	1.349	GBP/AUD	1.7613		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	2.83	+10	+47	+131
Germany	0.81	+1	+15	+99
UK	1.82	+2	+15	+84
Ireland	1.46	-1	+25	+121
Belgium	1.35	-1	+23	+117
France	1.30	-1	+23	+111
Italy	2.57	+3	+44	+139
Spain	1.81	+1	+26	+121
Portugal	1.86	+0	+41	+138
Greece	3.04	+4	+27	+173
<b>5 Year Swap %</b>				
US	2.88	+11	+41	+155
Eurozone	1.27	-2	+19	+126
UK	2.29	-1	+9	+101
<b>2 Year Swap %</b>				
US	2.88	+14	+38	+193
Eurozone	0.79	-2	+18	+109
UK	2.39	-1	+10	+119
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	65	-2	+10	+22
Belgium	54	-2	+8	+18
France	49	-2	+7	+12
Italy	176	+2	+29	+40
Spain	100	+0	+11	+22
Portugal	105	-0	+25	+39
Greece	223	+3	+12	+74

Commodities				
	Close	% Change		
		Day	4 Weeks	End 21
Brent Oil	105.32	+0.31	-7.17	+35.41
West Texas Oil	101.96	-0.64	-5.43	+35.35
Gold \$	1886.1	-1.02	-2.43	+3.16

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