

Eurozone GDP and inflation data due today

Risk appetite continued to improve yesterday. The Euro Stoxx 50 rallied late in the session to finish up by 1.1%. Across the Atlantic, the S&P 500 rose by 2.5%. Meanwhile, on bond markets, US Treasury yields continued to edge slightly higher. In the Eurozone, German Bund yields rose by 6-10bps along the curve.

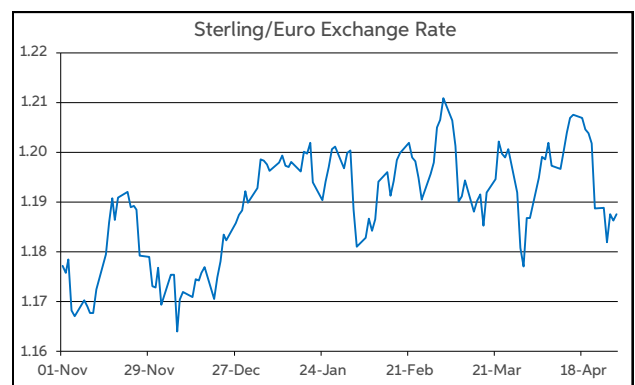
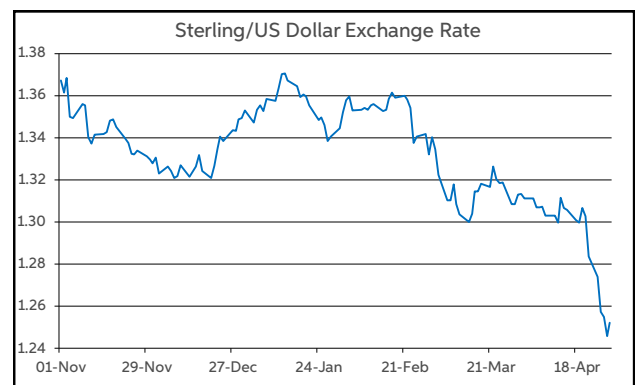
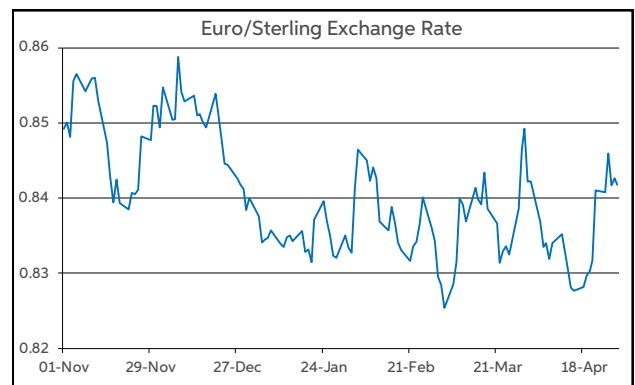
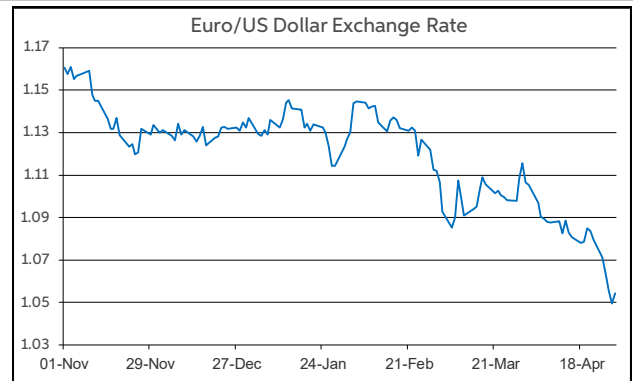
On currency markets, trading conditions remained volatile. The dollar was in the driving seat for much of yesterday, as evidenced by its trade-weighted index rising to its highest level since 2002. EUR/USD straddled the \$1.05 mark for most of the day, falling to as low as \$1.047. Elsewhere, sterling was on the back foot. GBP/USD fell below the \$1.25 for the first time since July 2020. Overnight though, the dollar edged back from its recent highs.

Data-wise, US GDP contracted by 1.4% in annualised terms in Q1 (vs. +1.1% f'cast). The slump in output was caused by a wider trade deficit and a more moderate pace of inventory building. Elsewhere, inflation rose by more than anticipated in Germany. Headline HICP climbed to 7.8% in April, up from 7.6% in March.

In level terms, EUR/USD opens this morning up near the midpoint of \$1.05-1.06. GBP/USD has regained the \$1.25 handle, and is operating in the lower half of \$1.25-1.26. Meanwhile, EUR/GBP is changing hands above the 84p mark.

Turning to the day ahead, the first reading of Q1 GDP in the Eurozone is projected to show that output rose by 0.3% in the quarter. Flash Eurozone HICP inflation data for April are also due. The headline rate is forecast to inch higher to 7.5% from 7.4%. In the US, the wages sub-component of the employment cost index will garner attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0538	0.22	-7.30
EUR/GBP	0.8417	0.18	0.20
GBP/USD	1.2517	0.02	-7.48
GBP/EUR	1.1873	-0.18	-0.20
USD/JPY	130.26	0.32	13.19
EUR/JPY	137.32	0.55	4.93

* 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	2.42	2.94	2.97
EUR	0.00	-0.52	-0.45	0.21	0.90	1.38
GBP	0.75	0.93	1.21	2.07	2.43	2.34

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

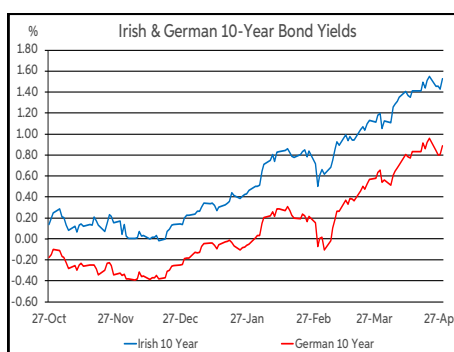
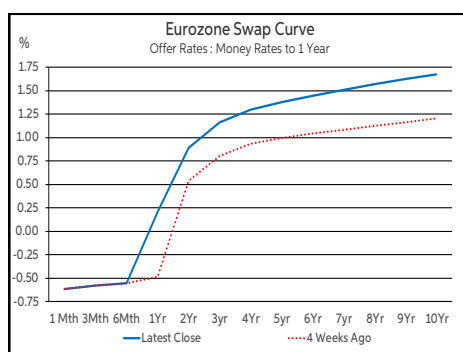
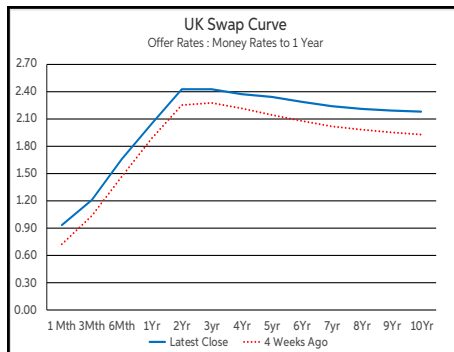
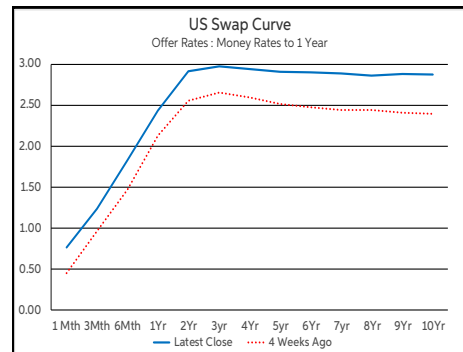
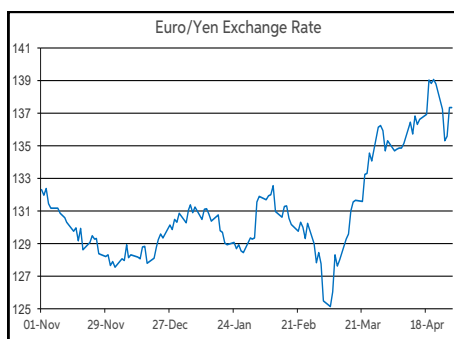
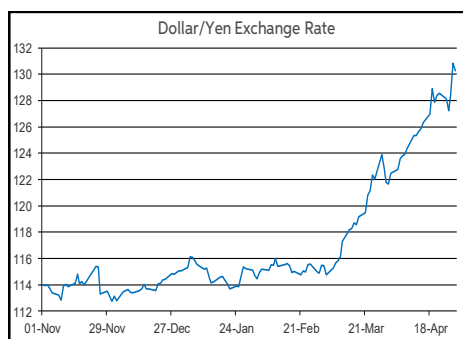
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Friday 29 April 2022
07:17 am



Euro		Sterling		Dollar	
EUR/GBP	0.8417	GBP/EUR	1.1873	USD/JPY	130.26
EUR/USD	1.0538	GBP/USD	1.2517	USD/CAD	1.2746
EUR/JPY	137.32	GBP/CAD	1.5957	USD/CHF	0.9701
EUR/SEK	10.3366	GBP/NZD	1.9194	USD/CNY	6.6069
EUR/DKK	7.4415	GBP/JPY	163.06	USD/BRL	4.9385
EUR/NOK	9.8452	GBP/SEK	12.2778	USD/RUB	71.374
EUR/CHF	1.0223	GBP/DKK	8.8371	USD/INR	76.435
EUR/AUD	1.474	GBP/NOK	11.6917	AUD/USD	0.7149
EUR/HKD	8.2703	GBP/CHF	1.2144	NZD/USD	0.6519
EUR/CAD	1.3433	GBP/AUD	1.7507		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.83	+1	+49	+132
Germany	0.90	+9	+35	+107
UK	1.88	+6	+27	+91
5 Year Swap %				
US	2.91	+3	+44	+158
Eurozone	1.38	+11	+40	+137
UK	2.34	+5	+21	+107
2 Year Swap %				
US	2.91	+5	+40	+197
Eurozone	0.89	+11	+36	+119
UK	2.43	+4	+18	+124
10 Year Government Bond Spreads to Benchmark bps				
Ireland	67	+3	+15	+24
Belgium	56	+2	+8	+20
France	51	+1	+7	+13
Italy	182	+6	+32	+46
Spain	102	+2	+12	+24
Portugal	106	+1	+24	+40
Greece	226	+3	+14	+77

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	107.59	+2.16	-0.30	+38.33
West Texas Oil	105.47	+3.44	+4.91	+40.01
Gold \$	1894.3	+0.44	-2.21	+3.61

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