

## Very quiet start to the week

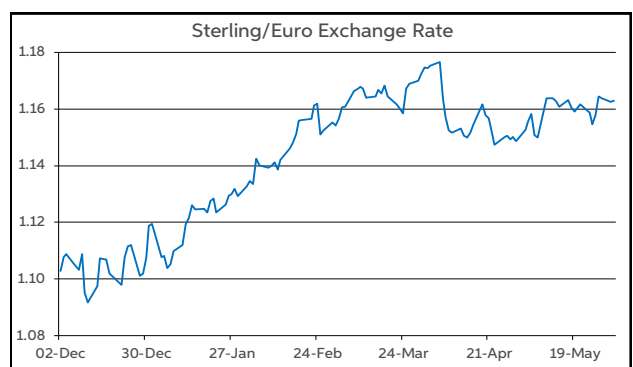
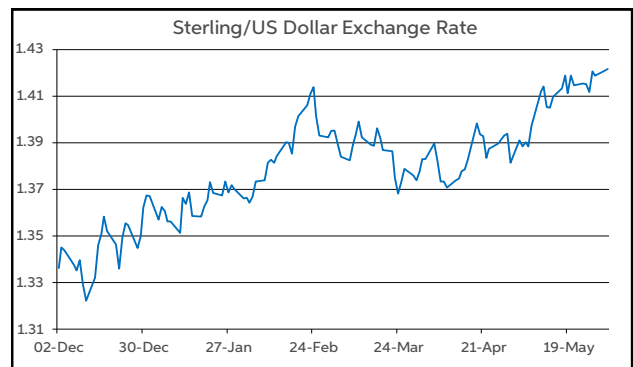
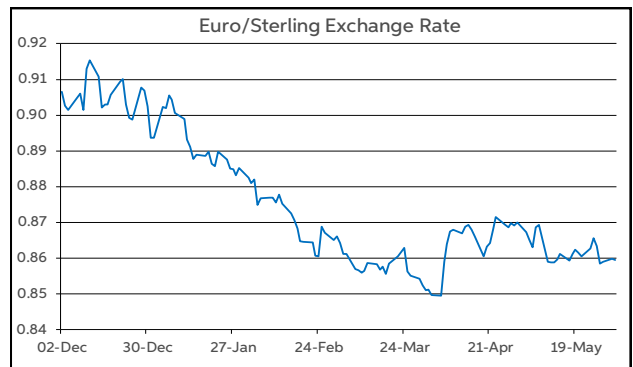
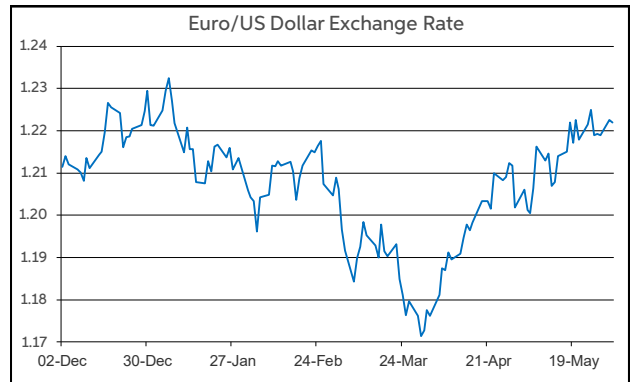
There was a very quiet end to the month of May on financial markets yesterday. A sparse data calendar, combined with the fact that there were market holidays in the US and UK contributed to the generally dull day on markets. There was a cautious tone to European equity markets, with the Euro Stoxx down 0.8% on the day. Meantime, on the currency front, the action was confined to very narrow ranges.

Of the limited data that was released, it came from the Eurozone. The M3 money supply growth metric for the currency bloc for April increased by 9.2% y/y (compared to a 9.5% f'cast). Meanwhile, preliminary May inflation numbers for Germany showed the headline HICP rate rising to 2.4% (in line with f'casts) from 2.1%. As expected, the data had no impact on the euro.

So as trading gets underway this morning the main FX pairs open at levels very similar to 24 hours earlier. EUR/USD continues to trade very near to the \$1.22 threshold, opening at \$1.222. Meantime, the EUR/GBP cross remains close to the 86p mark. Elsewhere, cable (GBP/USD) continues to change hands in and around the \$1.42 level.

Looking ahead to today, US and UK markets reopen after their long weekend. Data-wise, we get the final reading of the May manufacturing PMIs from the key advanced economies, with no major changes envisaged from their earlier version. The flash reading of Eurozone inflation for May also features. The headline rate is being pencilled in to rise to 1.9% (from 1.6%). The main US release of note is the manufacturing ISM for May (similar result to April expected). Overall though, from a currency viewpoint, it could be another day of narrow range trading.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.222	0.18	0.06
EUR/GBP	0.8595	0.05	-3.83
GBP/USD	1.4216	0.15	3.97
GBP/EUR	1.1631	-0.05	3.98
USD/JPY	109.46	-0.18	6.02
EUR/JPY	133.76	0.01	6.02

\* 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	0.125	0.09	0.13	0.13	0.25	0.90
EUR	0.00	-0.56	-0.54	-0.51	-0.47	-0.26
GBP	0.10	0.05	0.08	0.14	0.32	0.69

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

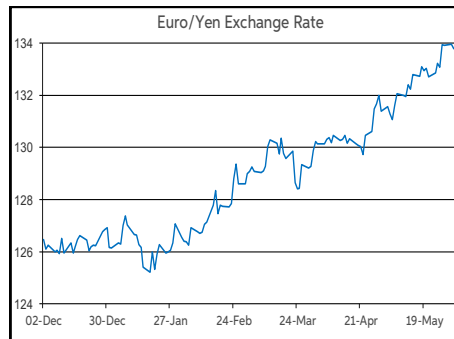
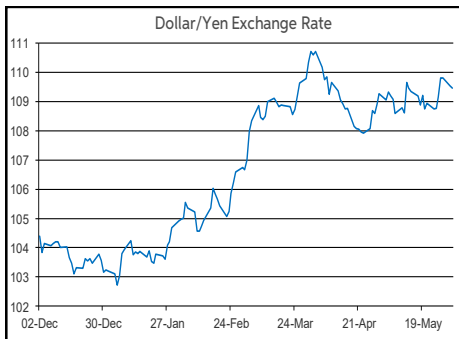
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

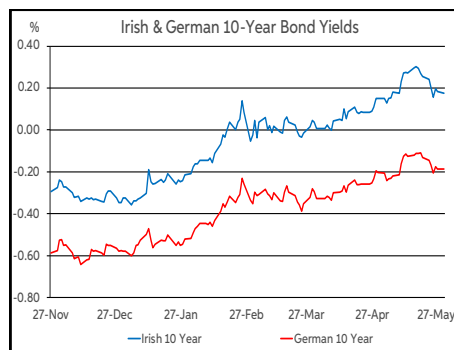
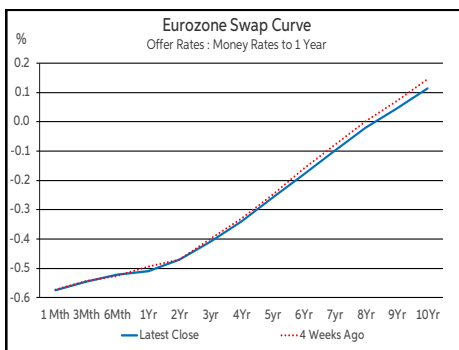
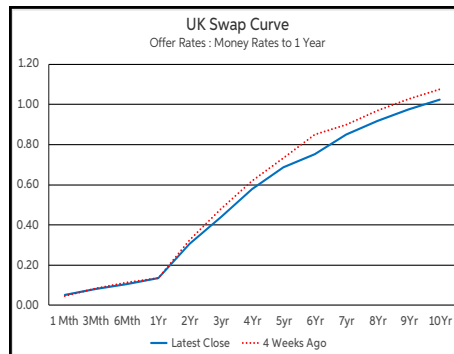
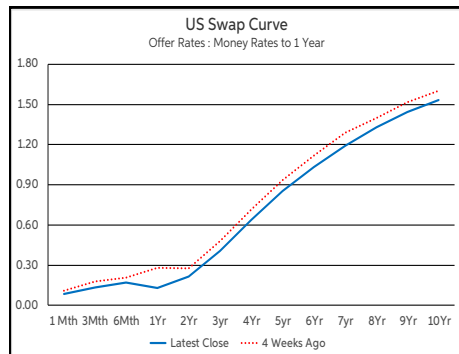
Tuesday 01 June 2021  
07:13 am



Euro		Sterling		Dollar	
EUR/GBP	0.8595	GBP/EUR	1.1631	USD/JPY	109.46
EUR/USD	1.222	GBP/USD	1.4216	USD/CAD	1.2057
EUR/JPY	133.76	GBP/CAD	1.7142	USD/CHF	0.8992
EUR/SEK	10.1328	GBP/NZD	1.955	USD/CNY	6.3703
EUR/DKK	7.4365	GBP/JPY	155.63	USD/BRL	5.2172
EUR/NOK	10.1432	GBP/SEK	11.7874	USD/RUB	73.3133
EUR/CHF	1.0991	GBP/DKK	8.6508	USD/INR	72.775
EUR/AUD	1.5799	GBP/NOK	11.7931	AUD/USD	0.7734
EUR/HKD	9.4829	GBP/CHF	1.2785	NZD/USD	0.7271
EUR/CAD	1.4735	GBP/AUD	1.8378		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.61	+3	+2	+70
Germany	-0.18	+0	+2	+39
UK	0.80	+0	-5	+60
<b>5 Year Swap %</b>				
US	0.85	+0	-4	+43
Eurozone	-0.26	+0	+0	+20
UK	0.69	+0	-4	+50
<b>2 Year Swap %</b>				
US	0.21	+0	-6	+2
Eurozone	-0.47	-0	+1	+6
UK	0.31	+0	-1	+28
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	40	-1	+1	+12
Belgium	33	-1	-2	+13
France	36	-0	-0	+12
Italy	110	-0	+6	+0
Spain	66	-1	-1	+3
Portugal	65	-0	-3	+1
Greece	102	-1	-17	-19



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	69.32	-0.45	+2.61	+33.82
West Texas Oil	66.31	-0.84	+2.87	+37.15
Gold \$	1906.4	+0.20	+6.36	+0.52

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