

## Main FX pairs remain in tight ranges

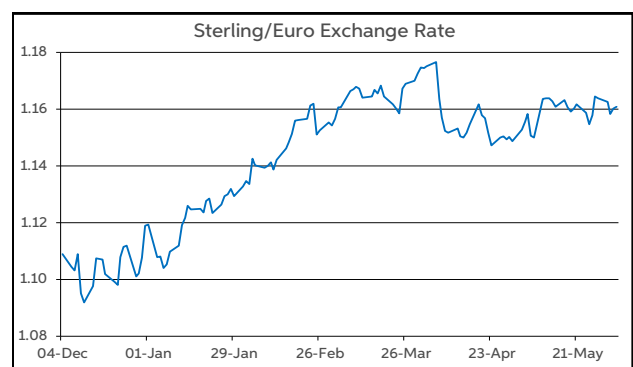
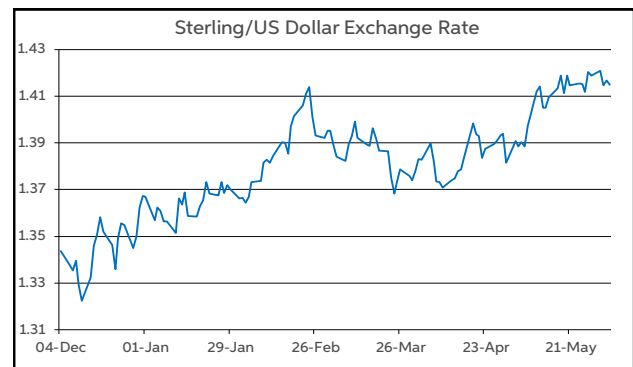
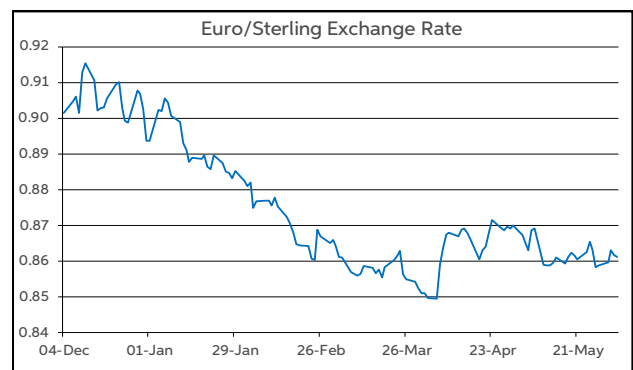
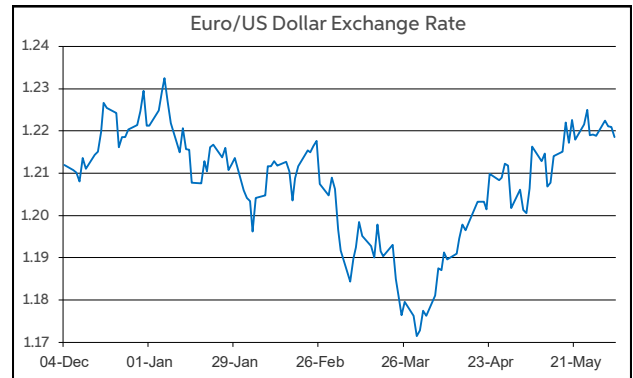
There was a somewhat positive tone to investor sentiment on markets yesterday. The Euro Stoxx 50 gained 0.4%, while across the Atlantic the S&P 500 finished flat for the day. On bond markets, the action remained subdued with the main sovereign benchmarks remaining range bound. Likewise, the moves on the currency exchanges were limited. Elsewhere, the price of oil rose by 1.6%, to above \$71p/b for the first time since May 2019.

A barren data schedule contributed to the lacklustre action on currency markets. In truth though, the main FX pairs have been range bound for near to three weeks. New data has not been able to change the overarching narrative of a booming economic recovery in the US, and a strong rebound taking root in the UK and Eurozone. This has confined EUR/USD to a tight range of \$1.213-1.226, while GBP/USD has been stuck between \$1.41-1.423. Similarly, EUR/GBP has operated in a narrow 85.7-86.7p corridor.

The main pairs stayed within these ranges yesterday, and they start the day this morning showing very little change over the past 24 hours. EUR/USD opens just below the \$1.22 threshold. Cable (GBP/USD) is changing hands close to the midpoint of \$1.41-1.42. Meantime, EUR/GBP is trading just above 86p.

Data-wise today, initial jobless claims and the non-manufacturing ISM (May) are due in the US. Jobless claims have been trending lower recently and the forecast is for this to continue, with the consensus at 390K, down from 406K. The non-manufacturing ISM is expected to edge higher to 63.0 from an already elevated 62.7. However, barring any major surprises, neither of the releases is likely to impact proceedings on currency markets.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2186	-0.24	-0.22
EUR/GBP	0.8613	-0.24	-3.63
GBP/USD	1.4146	-0.01	3.46
GBP/EUR	1.1607	0.24	3.76
USD/JPY	109.79	0.10	6.34
EUR/JPY	133.79	-0.15	6.05

\* 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	0.14	0.25	0.90
EUR	0.00	-0.56	-0.55	-0.51	-0.47	-0.26
GBP	0.10	0.05	0.08	0.13	0.32	0.69

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

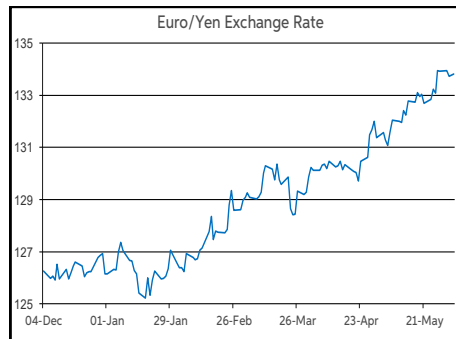
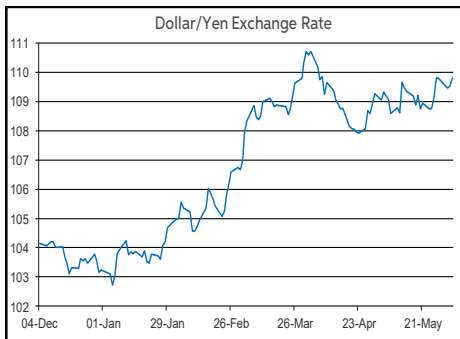
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

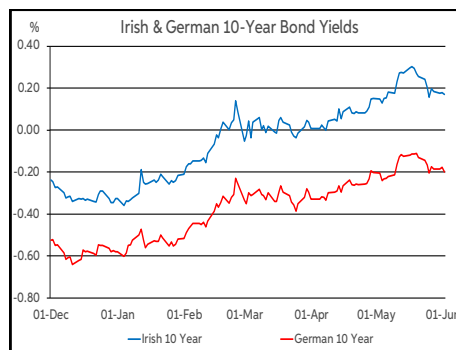
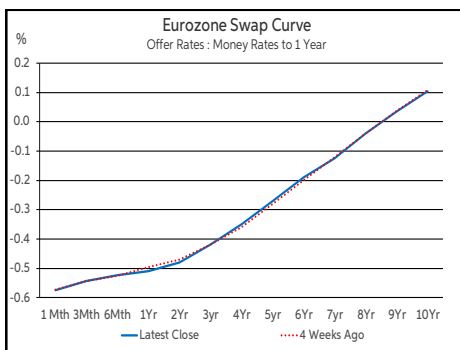
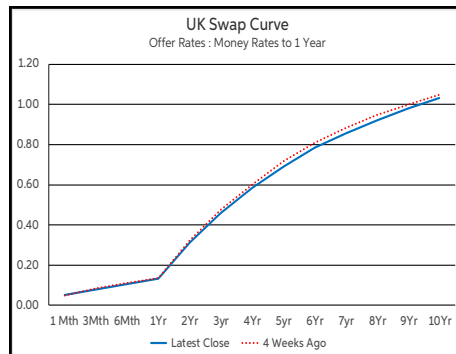
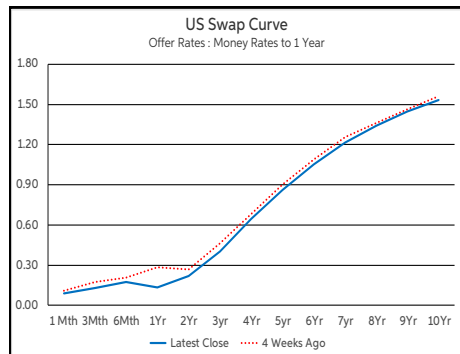
Thursday 03 June 2021  
07:41 am



Euro		Sterling		Dollar	
EUR/GBP	0.8613	GBP/EUR	1.1607	USD/JPY	109.79
EUR/USD	1.2186	GBP/USD	1.4146	USD/CAD	1.2052
EUR/JPY	133.79	GBP/CAD	1.705	USD/CHF	0.8997
EUR/SEK	10.0979	GBP/NZD	1.9619	USD/CNY	6.3928
EUR/DKK	7.436	GBP/JPY	155.31	USD/BRL	5.0754
EUR/NOK	10.14	GBP/SEK	11.7217	USD/RUB	73.2
EUR/CHF	1.0963	GBP/DKK	8.632	USD/INR	73.086
EUR/AUD	1.5778	GBP/NOK	11.7652	AUD/USD	0.7723
EUR/HKD	9.4521	GBP/CHF	1.2726	NZD/USD	0.7208
EUR/CAD	1.4688	GBP/AUD	1.8312		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.59	-2	+2	+67
Germany	-0.20	-2	+4	+38
UK	0.80	-3	-2	+61
<b>5 Year Swap %</b>				
US	0.86	-2	-1	+44
Eurozone	-0.27	-1	+2	+19
UK	0.69	-1	-2	+50
<b>2 Year Swap %</b>				
US	0.22	+0	-4	+3
Eurozone	-0.48	-1	-0	+5
UK	0.31	-0	-0	+28
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	40	+1	-1	+13
Belgium	32	-0	-3	+13
France	36	-0	-1	+12
Italy	107	-1	-1	-2
Spain	66	+0	-3	+3
Portugal	65	+1	-5	+1
Greece	102	+1	-19	-19



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	71.35	+1.57	+3.47	+37.74
West Texas Oil	68.79	+1.46	+4.81	+42.28
Gold \$	1907.9	+0.41	+6.80	+0.60

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