

US payrolls ahead today

There was a more positive mood on markets yesterday. The VIX fell to its lowest level since the end of April. The Euro Stoxx 50 rose by 0.9%, while on Wall Street, the S&P 500 gained 1.8%. Meanwhile, OPEC+ announced that it will increase its production quota to 648k barrels per day in July and August. However, oil prices rose by over 1% and are currently up near \$117 per barrel this morning, as the market was expecting a larger increase in future output.

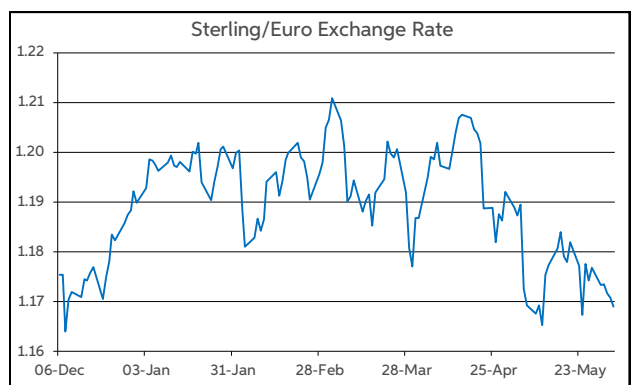
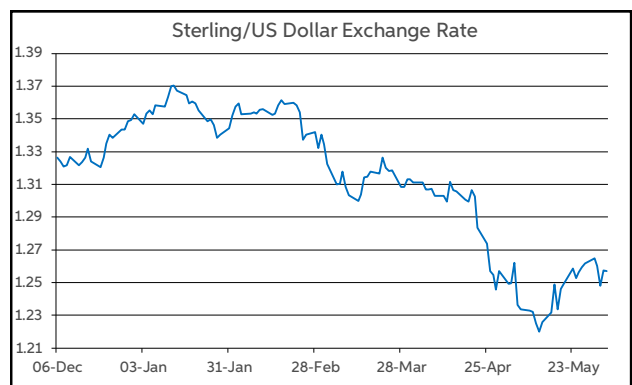
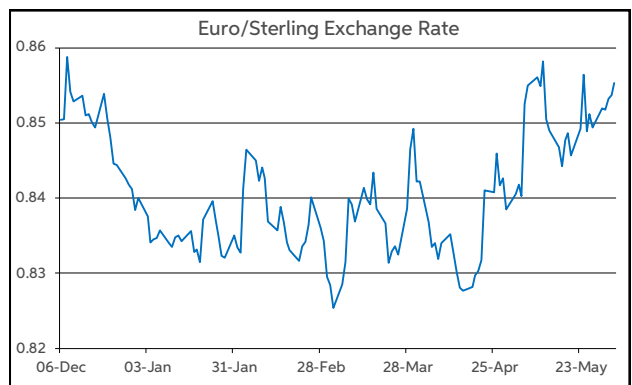
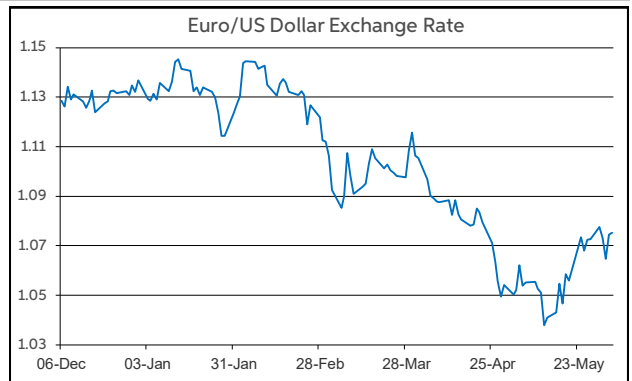
Currency-wise, amid the improvement in risk appetite, the dollar handed back all of its gains from the day before. It fell by circa 0.9% versus the euro and 0.7% against sterling yesterday. EUR/USD moved back above the \$1.07 threshold in the process.

As trading gets underway this morning, EUR/USD is operating up at the midpoint of \$1.07-1.08 range. Meanwhile, GBP/USD is changing hands in the top half of \$1.25-1.26. Elsewhere, EUR/GBP opens in the heart of the 85-86p corridor.

Turning to the day ahead, the main release of note will be the latest US labour market report. An increase of 325k in May is pencilled in for payrolls, while the unemployment rate is forecast to inch lower to its pre-pandemic low of 3.5% from 3.6%. Meanwhile, average earnings are projected to ease back to 5.2% year-on-year from 5.5% previously.

Elsewhere in the US, the non-manufacturing ISM is expected to decline but remain well above 50 in May. In the Eurozone, retail sales data (April) will feature. Barring any major surprises though, the data may not impact on currency markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0752	0.90	-5.42
EUR/GBP	0.8552	0.20	1.81
GBP/USD	1.2572	0.70	-7.07
GBP/EUR	1.1688	-0.20	-1.78
USD/JPY	129.92	-0.10	12.90
EUR/JPY	139.72	0.82	6.76

* 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	0.875	1.12	1.63	2.67	3.02	2.96
EUR	0.00	-0.54	-0.34	0.54	1.23	1.68
GBP	1.00	1.12	1.42	2.33	2.69	2.63

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

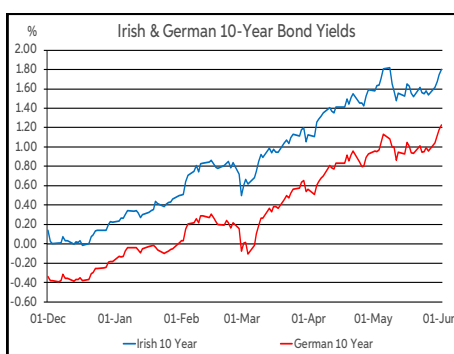
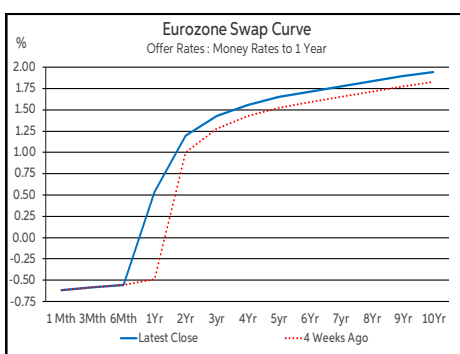
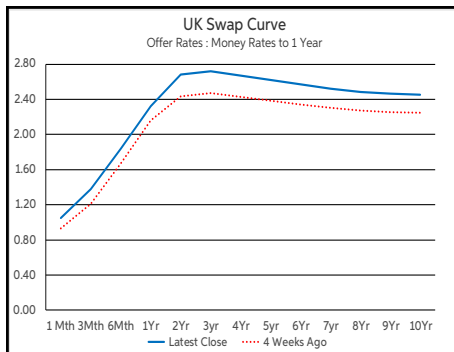
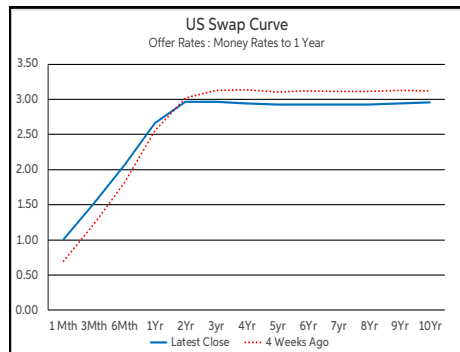
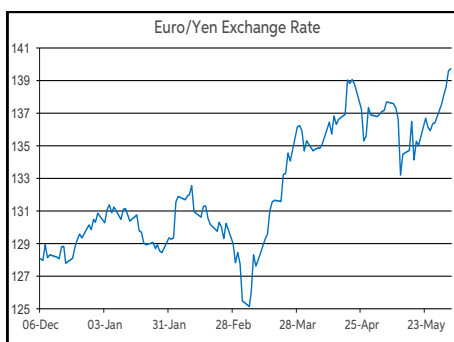
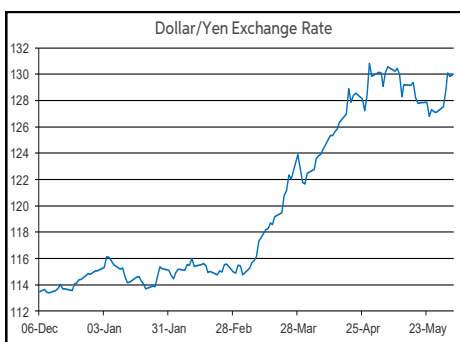
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Friday 03 June 2022
07:42 am



Euro		Sterling		Dollar	
EUR/GBP	0.8552	GBP/EUR	1.1688	USD/JPY	129.92
EUR/USD	1.0752	GBP/USD	1.2572	USD/CAD	1.2565
EUR/JPY	139.72	GBP/CAD	1.5797	USD/CHF	0.9578
EUR/SEK	10.4317	GBP/NZD	1.9173	USD/CNY	6.6596
EUR/DKK	7.4385	GBP/JPY	163.34	USD/BRL	4.7965
EUR/NOK	10.0885	GBP/SEK	12.1953	USD/RUB	61.3
EUR/CHF	1.0301	GBP/DKK	8.6943	USD/INR	77.6
EUR/AUD	1.4819	GBP/NOK	11.7888	AUD/USD	0.7254
EUR/HKD	8.4358	GBP/CHF	1.2042	NZD/USD	0.6554
EUR/CAD	1.3512	GBP/AUD	1.7324		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.91	+0	-12	+140
Germany	1.24	+5	+19	+141
UK	2.15	+5	+19	+118
5 Year Swap %				
US	2.92	+0	-14	+159
Eurozone	1.65	+8	+14	+164
UK	2.62	-1	+25	+135
2 Year Swap %				
US	2.97	-0	-1	+202
Eurozone	1.20	+6	+21	+150
UK	2.68	+0	+25	+149
10 Year Government Bond Spreads to Benchmark bps				
Ireland	58	-0	-12	+15
Belgium	61	-0	+3	+25
France	53	+0	+0	+15
Italy	207	+5	+9	+70
Spain	114	+2	+4	+36
Portugal	118	+3	+5	+52
Greece	244	+2	+10	+95

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	117.61	+1.14	+6.05	+51.21
West Texas Oil	116.88	+1.41	+8.05	+55.16
Gold \$	1868.1	+1.22	-0.46	+2.17

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