

## All about payrolls today

Equity markets on both sides of the Atlantic edged slightly lower yesterday. The Euro Stoxx 50 finished down 0.2%, while in the US, the S&P 500 lost 0.4%. Currency-wise, the dollar was holding a firmer tone. The greenback gained 0.8% against the euro, and 0.5% against sterling.

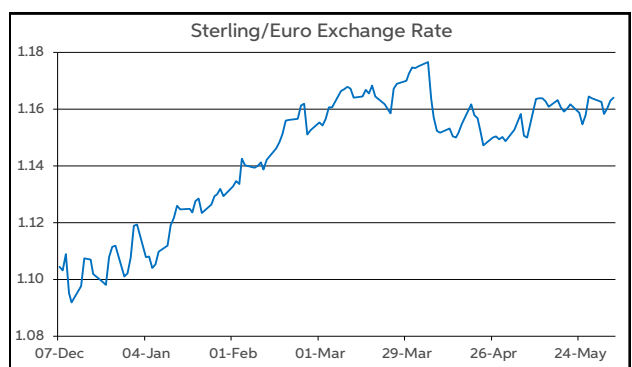
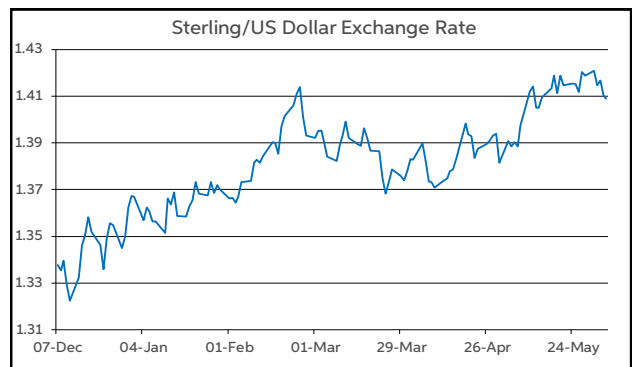
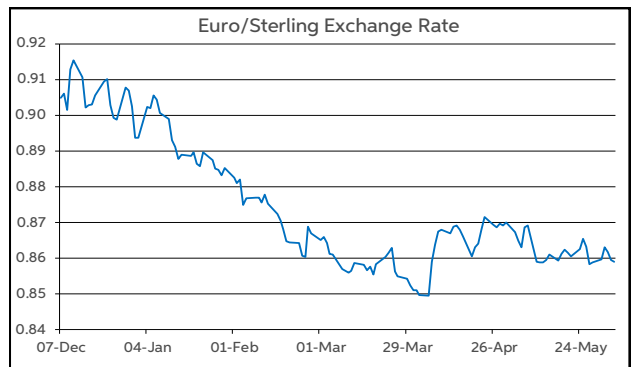
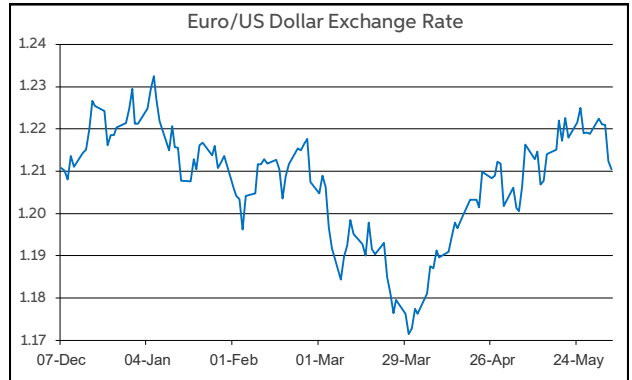
Data-wise there was a busy US docket. Initial jobless claims printed at 385k, (vs. 390k consensus), below 400k for the first time since March 2020. The non-manufacturing ISM (May) also beat expectations, rising to 64.0 (vs. 63.0 f'cast) from 62.7. Meanwhile, ADP employment jumped by 978k, well above the 650k forecast. The release coincided with the dollar moving higher.

The somewhat firmer tone to the dollar is reflected by EUR/USD opening this morning down at the \$1.21 threshold. Cable (GBP/USD) is operating just below \$1.41. Meanwhile, EUR/GBP continues to change hands in a tight range near to 86p, and starts today just below this level.

Ahead today, the main calendar highlight will be non-farm payrolls in the US. The forecast is for payrolls to rise by 650k, although, this would leave them some 7.5m below their pre-Covid level. However, considering payrolls grew by just 266k in April, job openings in the US are at an all-time high according to the JOLTS survey, and the very strong ADP figure yesterday, the risks to the release are tilted to the upside.

A strong payroll print today may be supportive of the dollar. On the other hand, a further large downside miss (like we saw in April) may see the currency come under some downward pressure.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2106	-0.76	-0.88
EUR/GBP	0.8588	-0.29	-3.91
GBP/USD	1.4093	-0.48	3.07
GBP/EUR	1.164	0.29	4.06
USD/JPY	110.23	0.48	6.77
EUR/JPY	133.45	-0.30	5.78

\* 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	0.26	0.93
EUR	0.00	-0.56	-0.54	-0.51	-0.47	-0.25
GBP	0.10	0.05	0.08	0.14	0.33	0.72

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

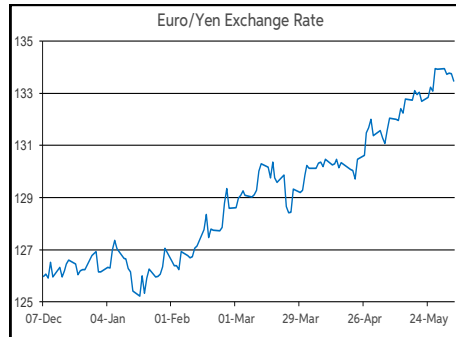
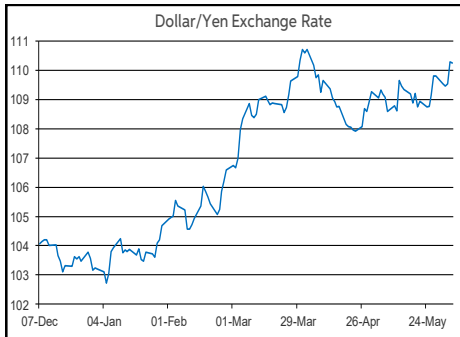
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

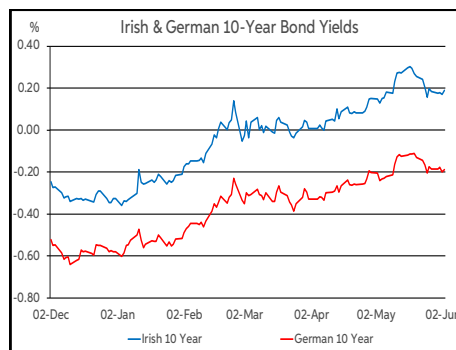
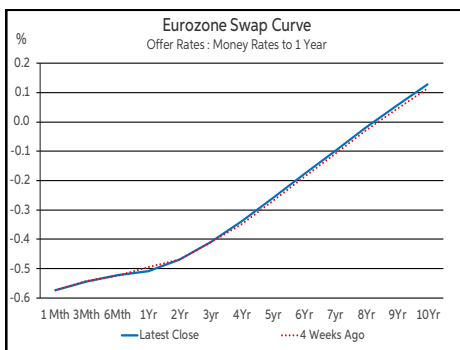
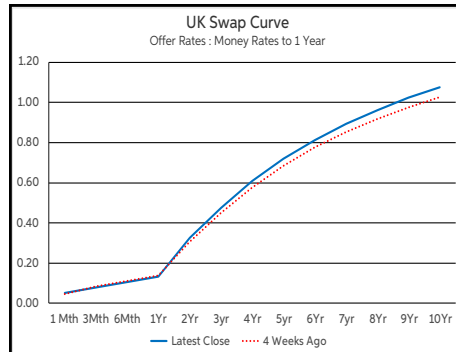
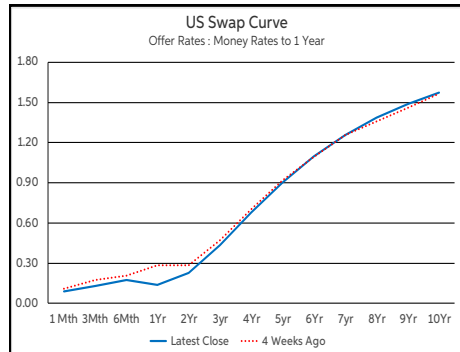
Friday 04 June 2021  
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.859	GBP/EUR	1.164	USD/JPY	110.24
EUR/USD	1.2106	GBP/USD	1.4093	USD/CAD	1.2118
EUR/JPY	133.45	GBP/CAD	1.708	USD/CHF	0.905
EUR/SEK	10.1045	GBP/NZD	1.9722	USD/CNY	6.4086
EUR/DKK	7.4366	GBP/JPY	155.36	USD/BRL	5.0775
EUR/NOK	10.1628	GBP/SEK	11.7583	USD/RUB	73.29
EUR/CHF	1.0955	GBP/DKK	8.6563	USD/INR	73.03
EUR/AUD	1.58	GBP/NOK	11.8256	AUD/USD	0.7661
EUR/HKD	9.3911	GBP/CHF	1.2755	NZD/USD	0.7144
EUR/CAD	1.4671	GBP/AUD	1.8392		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.63	+4	+6	+71
Germany	-0.18	+1	+5	+39
UK	0.84	+4	+5	+65
<b>5 Year Swap %</b>				
US	0.90	+6	+3	+48
Eurozone	-0.26	+1	+2	+20
UK	0.72	+3	+4	+53
<b>2 Year Swap %</b>				
US	0.23	+1	-3	+4
Eurozone	-0.47	+1	+1	+6
UK	0.32	+1	+3	+30
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	41	+1	-1	+14
Belgium	33	+1	-3	+14
France	36	+1	-2	+13
Italy	108	+1	-2	-1
Spain	66	+0	-3	+3
Portugal	65	+0	-5	+2
Greece	99	-3	-21	-22



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	71.31	-0.06	+4.73	+37.66
West Texas Oil	68.81	+0.03	+6.30	+42.32
Gold \$	1870.6	-1.96	+3.05	-1.37

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