

FX action remains subdued

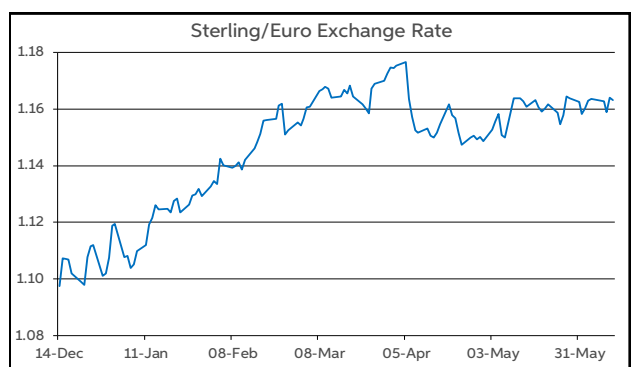
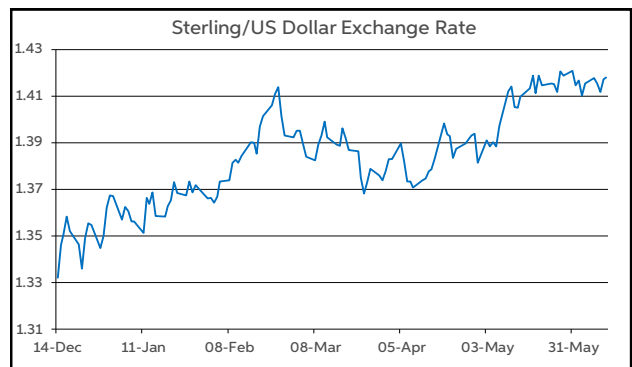
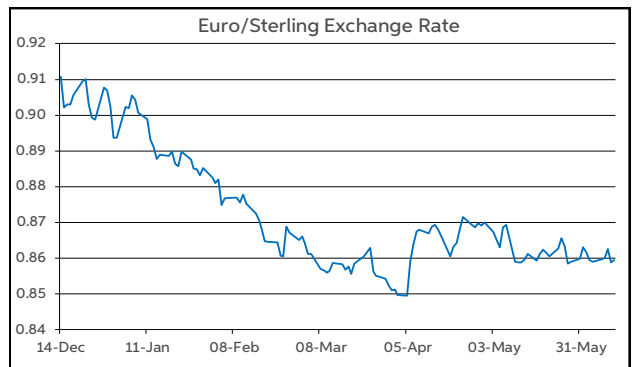
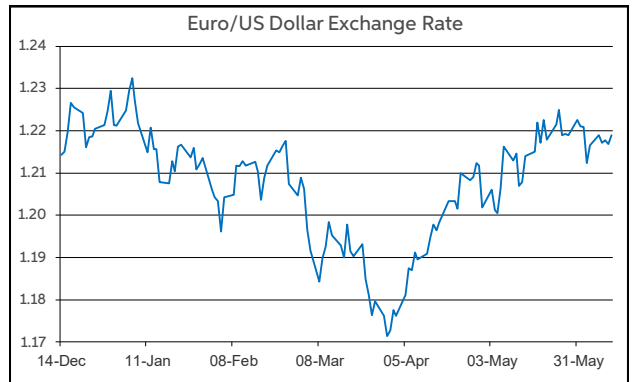
Yesterday's two key calendar events did not have much influence on currency markets. Of the limited action to register, sterling is slightly firmer over the past 24 hours. EUR/GBP has edged back towards 86p, while GBP/USD is in the upper half of \$1.41-1.42. EUR/USD opens once again in the upper half of \$1.21-1.22.

The muted action was not overly surprising in the case of the ECB meeting. As expected, the central bank left policy on hold and offered little in the way of new insight on its policy deliberations. It did revise higher its growth and inflation forecasts for this year and next year. However, President Lagarde emphasised that it was "too early" and "premature" for the Governing Council to discuss any exit to PEPP at this stage.

Meanwhile, the main data highlight yesterday was US CPI figures for May. Inflation once again printed ahead of expectations. The headline rate came in at 5% (vs. 4.7% f'cast), representing its fastest pace since 2008. Meanwhile the core rate registered a 3.8% reading (f'cast for 3.4%). The underlying details of the data show that part of the spike higher in prices came from sectors that have recently re-opened. Despite, the unexpected result, the data did not have much influence on the dollar. Meanwhile, US Treasury yields continued to decline, with the 10-year yield falling to 1.44%.

Already this morning, we have had the main UK data event of the week, with the release of GDP figures for April. The economy grew by 2.3% in the month (f'cast for 2.2%). There has been no major reaction from sterling to the news. Later today, we get US consumer sentiment for June. A modest increase is pencilled in. Overall, from a currency viewpoint, the main pairs could remain close to their current levels heading into the weekend.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.219	0.23	-0.19
EUR/GBP	0.8597	-0.27	-3.80
GBP/USD	1.4181	0.53	3.72
GBP/EUR	1.1629	0.27	3.95
USD/JPY	109.41	-0.15	5.98
EUR/JPY	133.38	0.08	5.72

* 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	0.07	0.12	0.13	0.22	0.81
EUR	0.00	-0.55	-0.54	-0.51	-0.48	-0.30
GBP	0.10	0.05	0.08	0.14	0.33	0.67

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

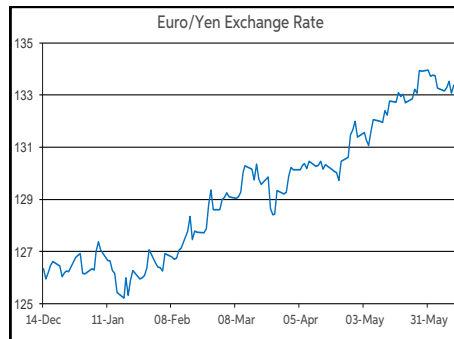
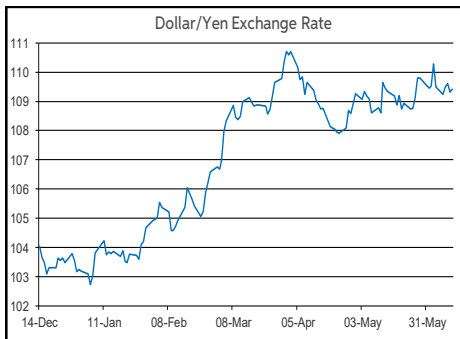
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

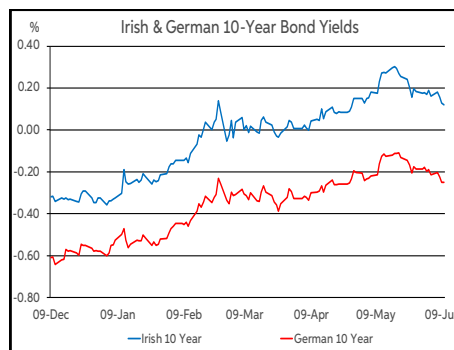
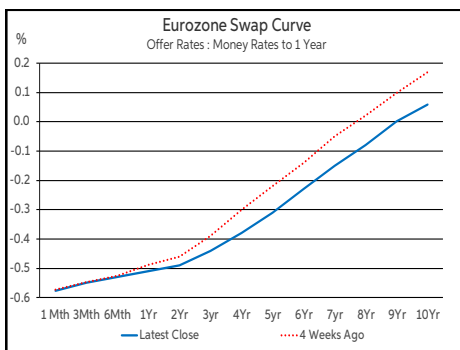
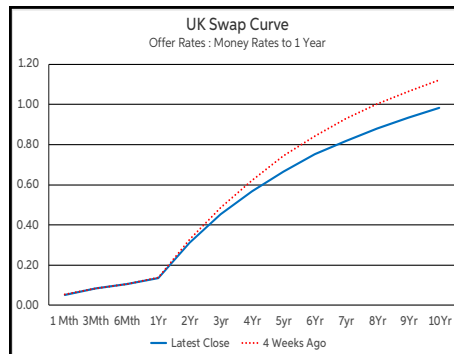
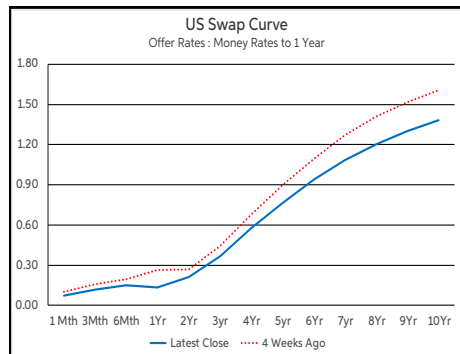
Friday 11 June 2021
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.8597	GBP/EUR	1.1629	USD/JPY	109.41
EUR/USD	1.219	GBP/USD	1.4181	USD/CAD	1.2081
EUR/JPY	133.38	GBP/CAD	1.7131	USD/CHF	0.8934
EUR/SEK	10.0429	GBP/NZD	1.9697	USD/CNY	6.3863
EUR/DKK	7.4361	GBP/JPY	155.15	USD/BRL	5.0555
EUR/NOK	10.0672	GBP/SEK	11.6755	USD/RUB	71.7431
EUR/CHF	1.0891	GBP/DKK	8.6477	USD/INR	72.9825
EUR/AUD	1.5707	GBP/NOK	11.7036	AUD/USD	0.776
EUR/HKD	9.4599	GBP/CHF	1.2669	NZD/USD	0.7197
EUR/CAD	1.4721	GBP/AUD	1.8271		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.44	-6	-22	+52
Germany	-0.25	+0	-13	+33
UK	0.75	+1	-15	+55
5 Year Swap %				
US	0.77	-4	-13	+34
Eurozone	-0.31	-2	-8	+15
UK	0.67	+1	-7	+48
2 Year Swap %				
US	0.21	-0	-3	+2
Eurozone	-0.49	-1	-2	+4
UK	0.31	+0	-1	+29
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	-1	-2	+13
Belgium	34	-1	-2	+15
France	37	+0	-2	+13
Italy	105	-3	-8	-4
Spain	64	-1	-6	+1
Portugal	65	-0	-7	+1
Greece	106	-1	-12	-15



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	72.52	+0.42	+8.16	+40.00
West Texas Oil	70.34	+0.63	+10.22	+45.48
Gold \$	1898.1	+0.52	+3.92	+0.09

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