

## Markets off to a quiet start

Financial markets got off to a quiet start this week, which is not surprising given the sparse macro calendar yesterday. The only release of note, Eurozone industrial production (April) printed ahead of the consensus, rising by 0.8% vs. 0.4% forecast. Given the lagged nature of the data though, it did not impact proceedings on currency markets. On equity markets, both the Euro Stoxx 50 and the S&P 500 edged slightly higher. Meanwhile benchmark sovereign bond yields rose by 2-4bps also.

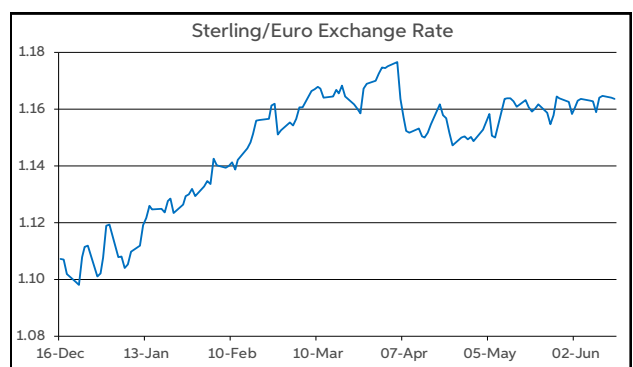
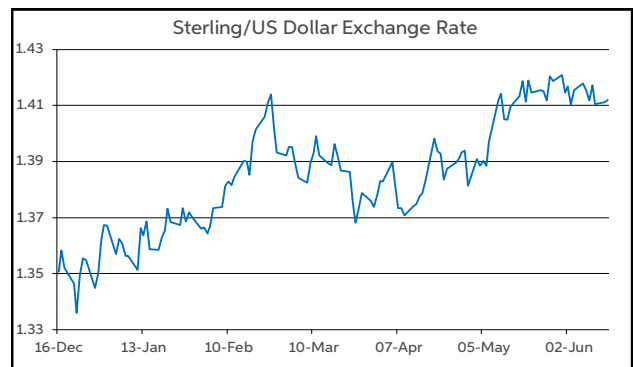
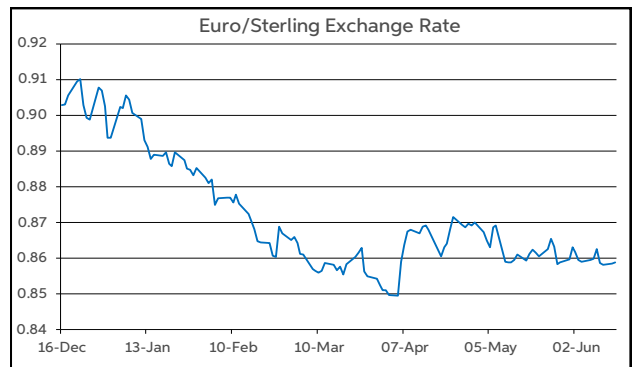
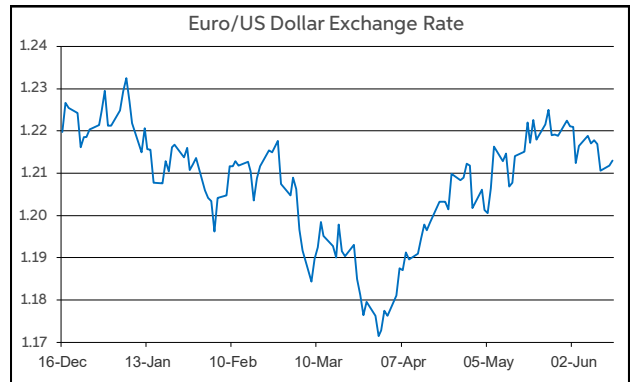
Already this morning, a raft of labour market data from the UK has kicked off a busy data schedule today. The unemployment rate inched lower to 4.7% in April from 4.8% as expected. Employment rose by 113k in the three months to April, while the claimant count fell by circa 93k in May. However, the data has not had any discernable affect on sterling so far in early trading.

Currency-wise, the subdued action is reflected in the main pairs opening at similar levels to 24 hours ago. EUR/USD is changing hands just above the \$1.21 threshold. GBP/USD is operating near to \$1.41. Meantime, EUR/GBP remains just below the 86p mark.

Later today, we will receive a broad update on the US economy, in the form of retail sales and industrial production (May), as well as homebuilder sentiment (June). Headline retail sales are projected to fall by 0.7% from elevated levels, while output is forecast to rise by 0.6%, in the month. Meanwhile, it is anticipated that homebuilder sentiment was unchanged at 83 in June.

However, barring any surprises the releases may not impact the dollar, as investors keep their powder dry ahead of the Fed policy announcement tomorrow.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.213	0.23	-0.68
EUR/GBP	0.8589	0.16	-3.89
GBP/USD	1.4119	0.06	3.26
GBP/EUR	1.1637	-0.16	4.05
USD/JPY	110.08	0.31	6.63
EUR/JPY	133.53	0.53	5.84

\* v Previous Day's European Open  
See Next Page for More Rates

Opening Interest Rates						
		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.07	0.12	0.14	0.26	0.86
EUR	0.00	-0.55	-0.55	-0.53	-0.48	-0.29
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

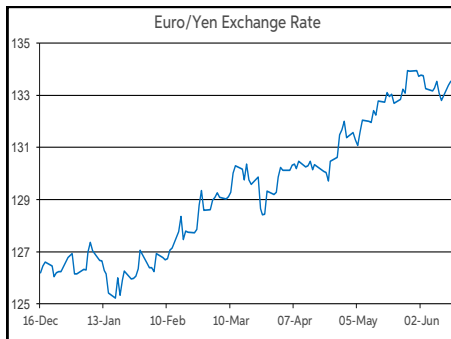
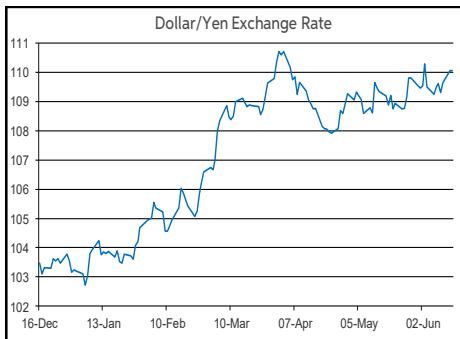
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

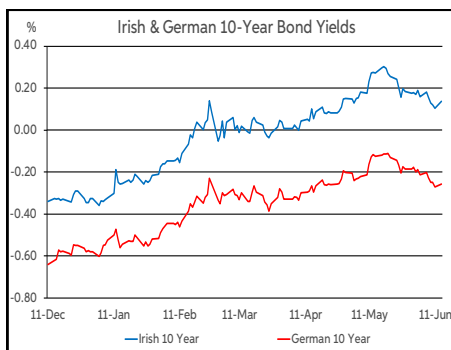
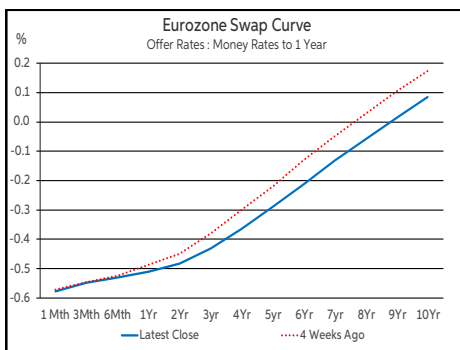
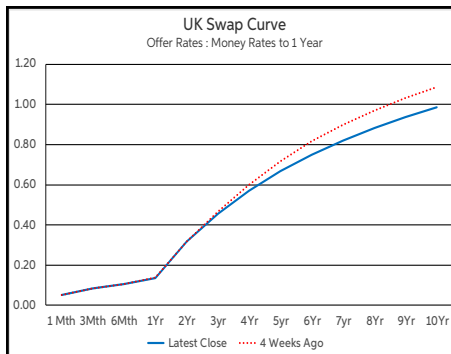
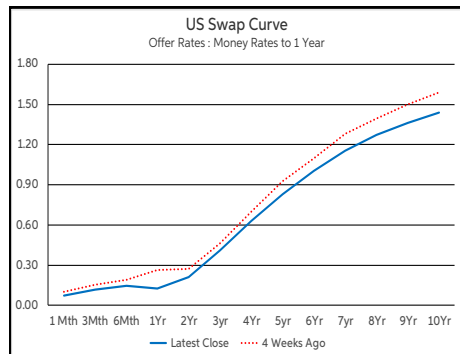
Tuesday 15 June 2021  
07:31 am



Euro		Sterling		Dollar	
EUR/GBP	0.8589	GBP/EUR	1.1637	USD/JPY	110.08
EUR/USD	1.213	GBP/USD	1.4119	USD/CAD	1.2128
EUR/JPY	133.53	GBP/CAD	1.7125	USD/CHF	0.8988
EUR/SEK	10.0906	GBP/NZD	1.9724	USD/CNY	6.4008
EUR/DKK	7.4361	GBP/JPY	155.42	USD/BRL	5.0598
EUR/NOK	10.08	GBP/SEK	11.7415	USD/RUB	71.898
EUR/CHF	1.0904	GBP/DKK	8.6545	USD/INR	73.2375
EUR/AUD	1.5725	GBP/NOK	11.7327	AUD/USD	0.7712
EUR/HKD	9.4145	GBP/CHF	1.2692	NZD/USD	0.7157
EUR/CAD	1.4715	GBP/AUD	1.8303		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.50	+4	-15	+58
Germany	-0.25	+2	-14	+32
UK	0.74	+3	-12	+55
<b>5 Year Swap %</b>				
US	0.83	+3	-7	+41
Eurozone	-0.29	+2	-6	+17
UK	0.67	+2	-5	+48
<b>2 Year Swap %</b>				
US	0.21	+1	-3	+2
Eurozone	-0.48	+0	-2	+4
UK	0.32	+1	+1	+29
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	43	+2	-2	+16
Belgium	34	+1	-4	+15
France	38	+1	-3	+15
Italy	103	+2	-19	-6
Spain	65	+1	-9	+2
Portugal	64	+1	-10	+0
Greece	100	-1	-22	-20



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	72.86	+0.23	+4.89	+40.66
West Texas Oil	70.94	-0.08	+7.10	+46.72
Gold \$	1866.0	-0.57	-0.01	-1.61

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