

## Dollar continues to hold the upper hand

Risk appetite remained subdued on equity markets yesterday, as the Euro Stoxx 50 and the S&P 500 both finished flat for the day. On bond markets, 10 Year US Treasury yields moved 7bps lower, in contrast to their main European counterparts, as the yield on UK Gilts and German Bunds of the same tenor rose by 4-6bps. Currency-wise, the dollar held the upper hand as investors continued to digest the latest Fed policy meeting.

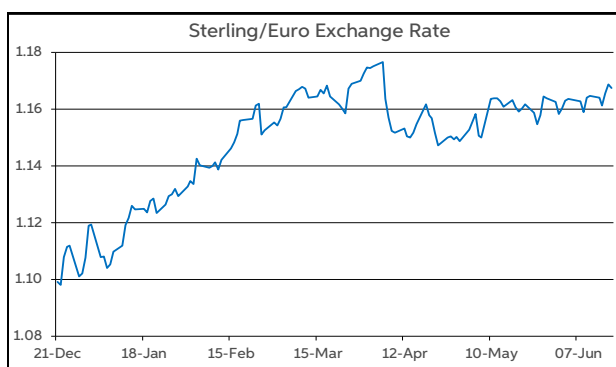
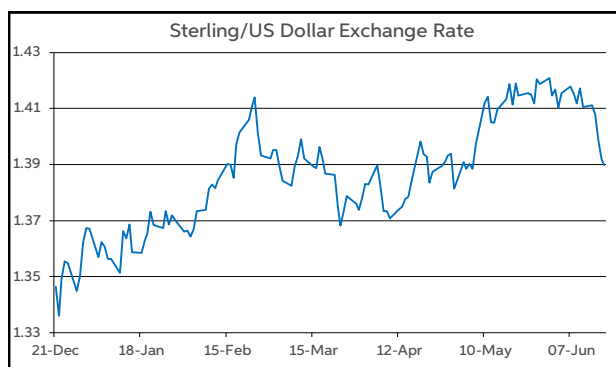
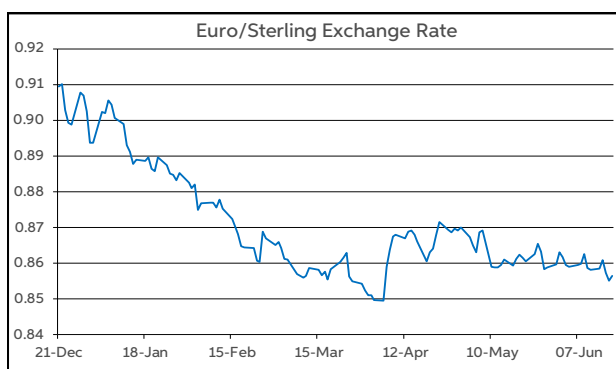
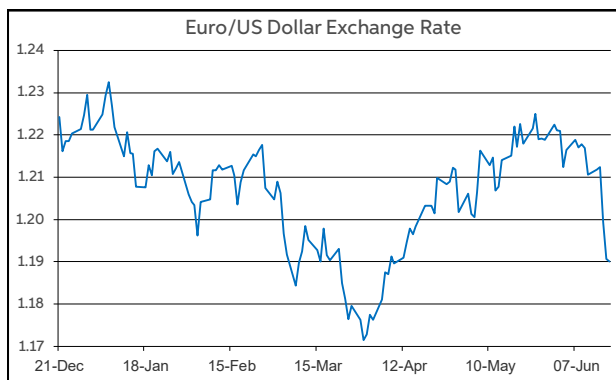
Data-wise, in the US, initial jobless claims halted their recent downward trend, printing at 412k, up from 376k and above the consensus 359k. The Philly Fed index, a regional manufacturing bellwether also disappointed, albeit trivially to the downside, at 30.7, slightly below the 31.0 forecast.

Meanwhile, in the Eurozone, the final reading of HICP inflation confirmed that prices rose by 2% in May. However, the data did not impact proceedings, as market chatter remained focused on the aforementioned Fed policy meeting.

The hawkish tone from the Fed on Wednesday, and some dovish comments from ECB Chief Economist Lane saw EUR/USD continue to move lower yesterday. This is reflected in the pair opening this morning at \$1.19. GBP/USD is changing hands just below \$1.39. Elsewhere, EUR/GBP remains in the top half of 85-86p.

Already this morning, UK retail sales data for May has been released. Retail sales fell by 1.4% in the month, well below the 1.6% rise expected, with some attributing the surprise to a shift in spending away from goods towards dining out. A sparse data schedule for the remainder of the day, suggests the focus may remain on the dollar.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1903	-0.80	-2.54
EUR/GBP	0.8566	-0.06	-4.15
GBP/USD	1.3896	-0.73	1.63
GBP/EUR	1.167	0.06	4.33
USD/JPY	110.08	-0.53	6.63
EUR/JPY	131.04	-1.33	3.87

\* 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	0.08	0.12	0.15	0.30	0.95
EUR	0.00	-0.55	-0.55	-0.51	-0.47	-0.27
GBP	0.10	0.05	0.08	0.15	0.38	0.75

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 18 June 2021  
07:17 am



## Euro

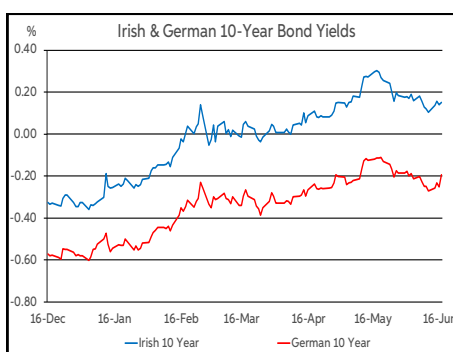
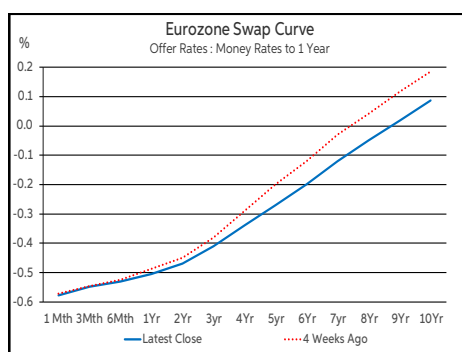
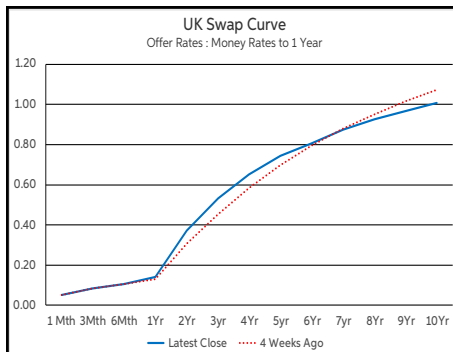
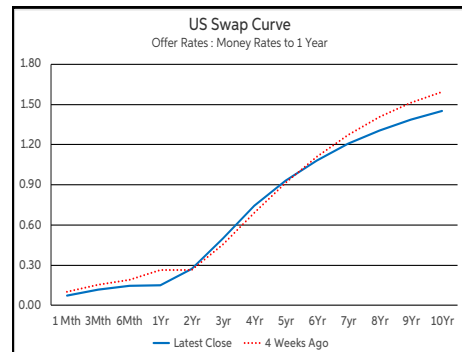
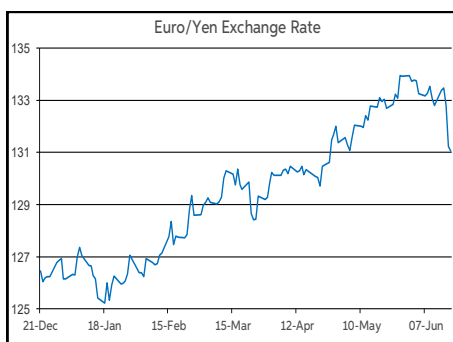
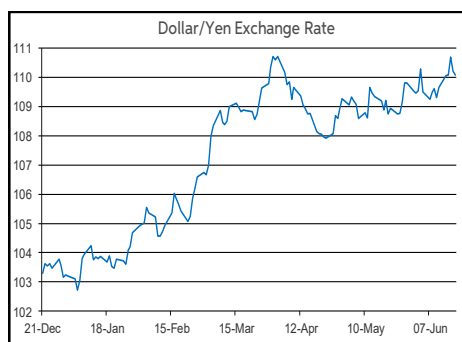
EUR/GBP	0.8566
EUR/USD	1.1902
EUR/JPY	131.04
EUR/SEK	10.1876
EUR/DKK	7.4366
EUR/NOK	10.184
EUR/CHF	1.0932
EUR/AUD	1.5786
EUR/HKD	9.2399
EUR/CAD	1.4723

## Sterling

GBP/EUR	1.1671
GBP/USD	1.3894
GBP/CAD	1.7188
GBP/NZD	1.9895
GBP/JPY	152.95
GBP/SEK	11.8887
GBP/DKK	8.6791
GBP/NOK	11.8828
GBP/CHF	1.2759
GBP/AUD	1.8428

## Dollar

USD/JPY	110.08
USD/CAD	1.237
USD/CHF	0.9183
USD/CNY	6.4437
USD/BRL	5.007
USD/RUB	72.409
USD/INR	74.1375
AUD/USD	0.7539
NZD/USD	0.698



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.51	-7	-12	+59
Germany	-0.19	+6	-8	+39
UK	0.78	+4	-6	+58
Ireland	0.19	+1	-12	+49
Belgium	0.13	+2	-11	+51
France	0.16	+3	-10	+50
Italy	0.82	+4	-23	+30
Spain	0.43	+3	-14	+38
Portugal	0.41	+3	-17	+35
Greece	0.80	+5	-24	+17
5 Year Swap %				
US	0.93	-3	+5	+51
Eurozone	-0.27	-1	-6	+19
UK	0.74	+7	+5	+55
2 Year Swap %				
US	0.27	+1	+4	+8
Eurozone	-0.47	+1	-1	+6
UK	0.37	+5	+8	+35
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	-5	-3	+11
Belgium	32	-3	-3	+13
France	35	-3	-2	+12
Italy	101	-1	-15	-8
Spain	62	-2	-6	-1
Portugal	60	-2	-8	-3
Greece	99	-0	-16	-22

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	73.08	-1.76	+12.24	+41.08
West Texas Oil	71.06	-1.35	+14.71	+46.97
Gold \$	1773.3	-2.13	-5.51	-6.49

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