

Quiet start to the week

After last week's flurry of activity, which included a raft of central bank rate hikes and the S&P 500 falling into bear market territory, the start of this week was muted yesterday. This was in part due to a market holiday in the US.

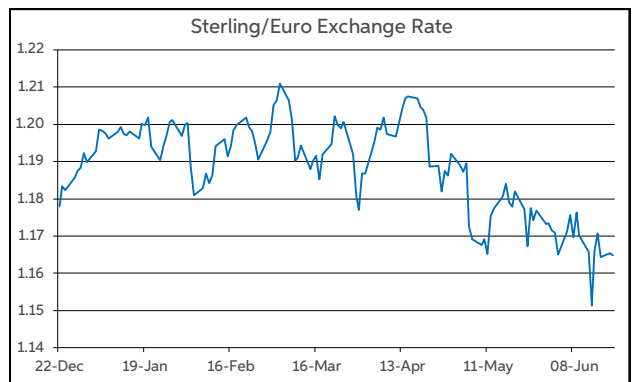
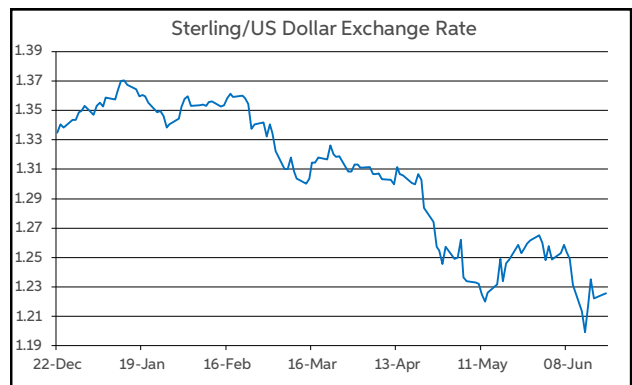
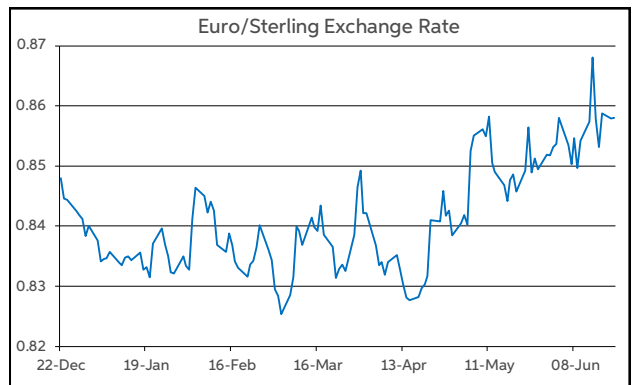
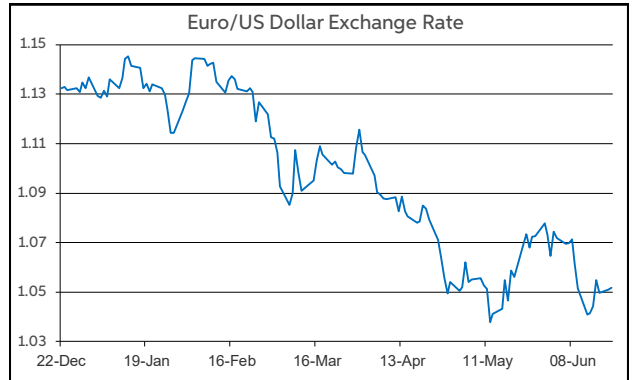
At the same time, the European macro diary was very sparse. As a result, there were no data releases to be of interest or have any directional impact on markets on this side of the Atlantic. Meantime, ECB President Lagarde's comments to the European Parliament did not provide any new insight regarding the Central Bank's interest rate outlook.

There was though some slight firming in risk appetite. Having fallen by over 4% last week, the Euro Stoxx 50 index managed to post a 0.9% gain yesterday. Meanwhile, on bond markets, German 10-year bund yields rose by 8bps on the day, to go back above the 1.7% level, with most Eurozone 10-year yields up 8-12bps.

On the currency front, the action amongst the majors was confined to very tight ranges yesterday. This pattern continued in overnight trading. This is reflected in the main pairs opening this morning at levels very similar to 24 hours earlier. The key EUR/USD pair starts today in the lower half of \$1.05-1.06. Meanwhile, EUR/GBP is trading just below the 86p mark. Elsewhere, GBP/USD remains in a tight range near the midpoint of the \$1.22-1.23 band.

Today's macro diary remains relatively quiet. The main release of note is US existing home sales for May. Sales fell for a third straight month in April. The consensus is for another fall in May, adding to signs of a softening in the US housing market.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0519	-0.02	-7.47
EUR/GBP	0.8581	-0.20	2.15
GBP/USD	1.2257	0.19	-9.40
GBP/EUR	1.1648	0.20	-2.11
USD/JPY	135.05	0.07	17.35
EUR/JPY	142.08	0.05	8.57

* 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	1.625	1.63	2.12	3.42	3.66	3.42
EUR	0.00	-0.49	-0.17	1.05	1.81	2.27
GBP	1.25	1.23	1.61	2.93	3.32	3.17

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

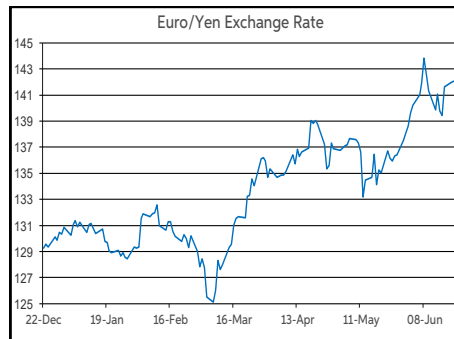
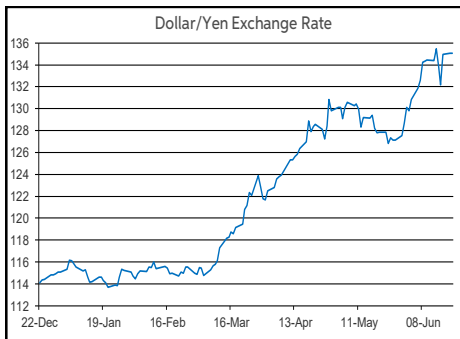
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

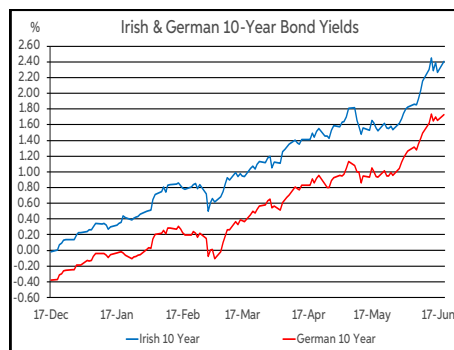
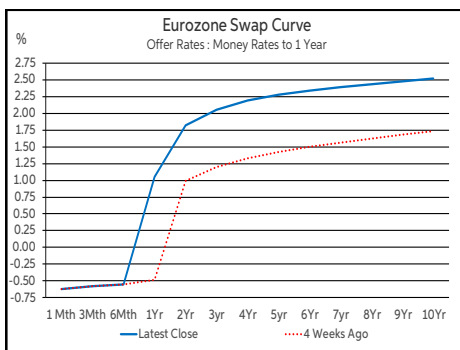
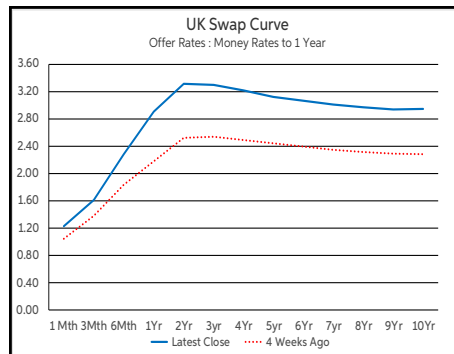
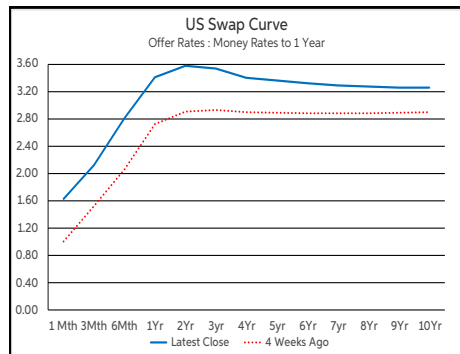
Tuesday 21 June 2022
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.8581	GBP/EUR	1.1648	USD/JPY	135.05
EUR/USD	1.0519	GBP/USD	1.2257	USD/CAD	1.2943
EUR/JPY	142.08	GBP/CAD	1.5865	USD/CHF	0.9669
EUR/SEK	10.6308	GBP/NZD	1.9369	USD/CNY	6.6949
EUR/DKK	7.4385	GBP/JPY	165.53	USD/BRL	5.1885
EUR/NOK	10.3852	GBP/SEK	12.3861	USD/RUB	55.65
EUR/CHF	1.0172	GBP/DKK	8.6652	USD/INR	78.08
EUR/AUD	1.5121	GBP/NOK	12.0932		
EUR/HKD	8.2583	GBP/CHF	1.1851	AUD/USD	0.6956
EUR/CAD	1.3616	GBP/AUD	1.7617	NZD/USD	0.6325



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.23	+4	+37	+172
Germany	1.74	+8	+72	+192
UK	2.60	+11	+63	+163
5 Year Swap %				
US	3.36	+1	+50	+203
Eurozone	2.28	+9	+87	+227
UK	3.12	+4	+68	+185
2 Year Swap %				
US	3.58	+1	+70	+263
Eurozone	1.82	+4	+84	+212
UK	3.32	+6	+80	+212
10 Year Government Bond Spreads to Benchmark bps				
Ireland	69	+1	+6	+26
Belgium	66	+2	+6	+31
France	58	+3	+6	+20
Italy	205	+4	+4	+69
Spain	111	+2	-1	+33
Portugal	105	-1	-12	+38
Greece	224	-11	-47	+75



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	114.13	+0.89	+0.63	+46.73
West Texas Oil	110.27	+0.65	-0.05	+46.38
Gold \$	1838.3	-0.06	-0.81	+0.54

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