

## FX markets remain confined to tight ranges

Risk appetite continued to firm yesterday as investors returned from a long weekend in the US. The Euro Stoxx 50 moved higher for the second consecutive day, rising by 0.7%. Meanwhile, on Wall Street, the S&P jumped by 2.4%, having shed circa 6% last week. On bond markets, benchmark sovereign yields remained relatively range bound across the board.

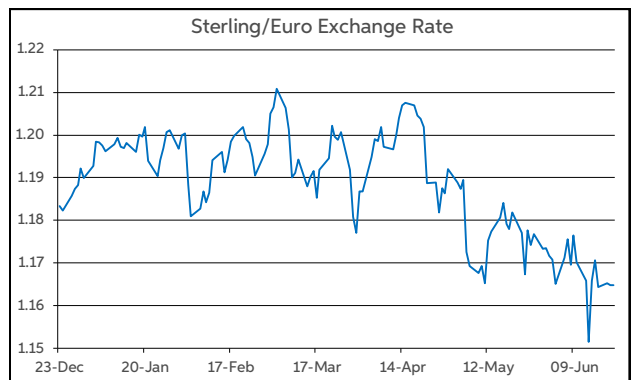
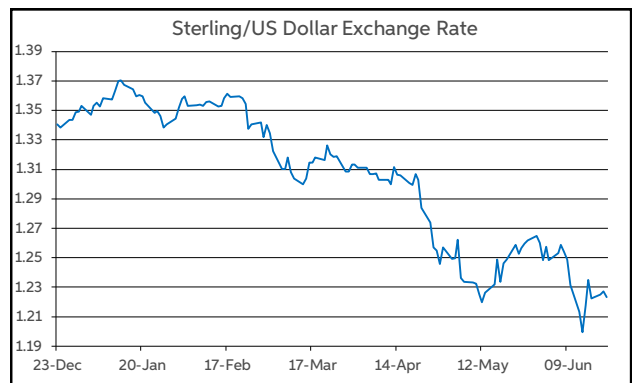
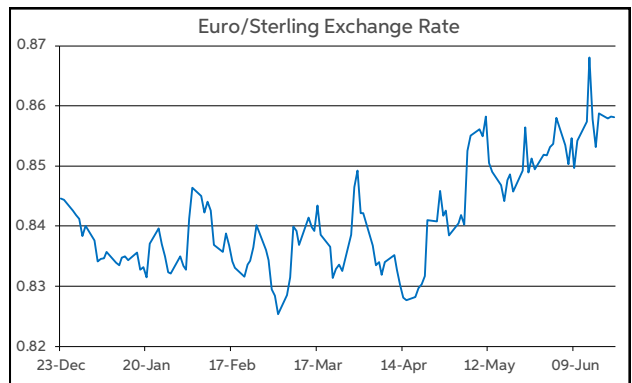
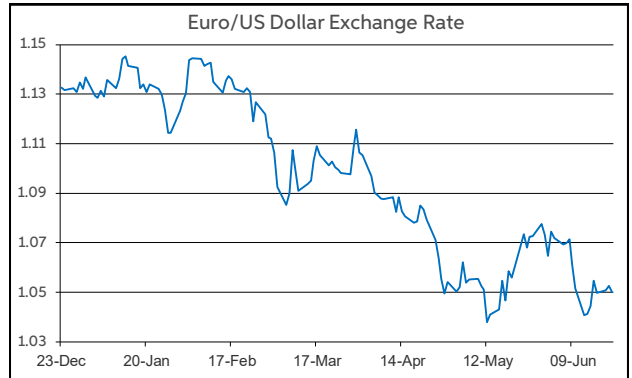
On the currency front, the main FX pairs continued to operate within confined ranges yesterday. Of the limited moves to register the dollar was on the defensive as risk appetite improved. Overnight though, the greenback recouped all of its losses. Elsewhere, the Japanese yen was under some downward pressure, falling to a new 24-year low, above ¥136 versus the dollar. This occurred amid push back from government officials against calls for the BoJ to end its ultra-loose monetary policy.

As trading gets underway today, EUR/USD has edged back closer to the \$1.05 threshold. Meanwhile, EUR/GBP continues to operate in the top half of 85-86p. Elsewhere, GBP/USD is changing hands in the lower half of the \$1.22-1.23 trading band.

In terms of data releases, already this morning UK CPI inflation data has printed in-line with the consensus, edging up to 9.1% in May. Core-CPI eased to 5.9% from 6.2%, slightly below the 6% reading anticipated. Sterling has been unreactive to the release.

From a dollar perspective, Fed Chair Powell's semi-annual testimony to both Houses of Congress starts today and will garner close attention. Meanwhile, from a euro viewpoint flash consumer confidence for June is forecast to improve slightly, albeit from very low levels.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0504	-0.17	-7.60
EUR/GBP	0.8581	0.03	2.15
GBP/USD	1.2236	-0.20	-9.56
GBP/EUR	1.1644	-0.03	-2.11
USD/JPY	136.44	0.98	18.56
EUR/JPY	143.3	0.79	9.50

\* 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	3.37	3.55	3.36
EUR	0.00	-0.50	-0.18	1.04	1.79	2.25
GBP	1.25	1.23	1.61	2.93	3.30	3.19

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

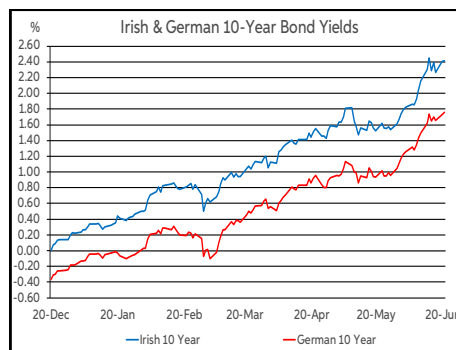
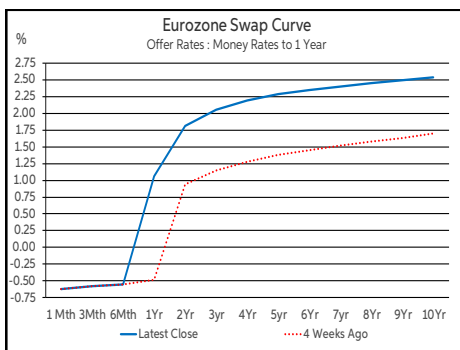
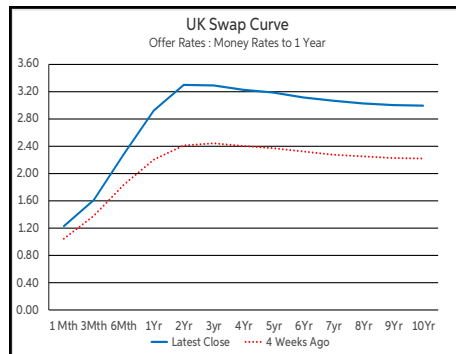
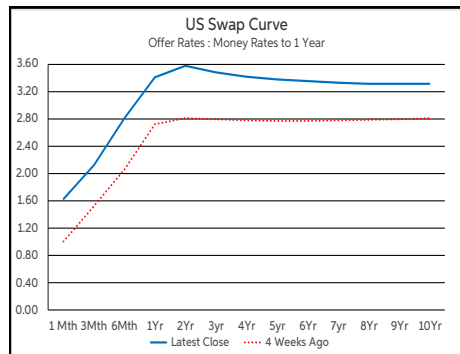
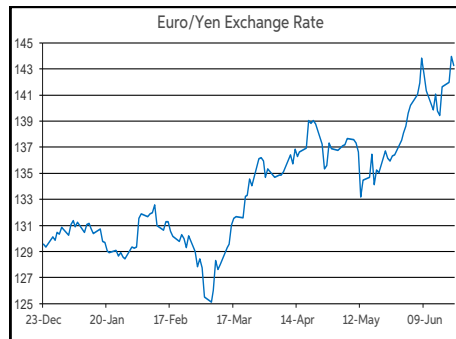
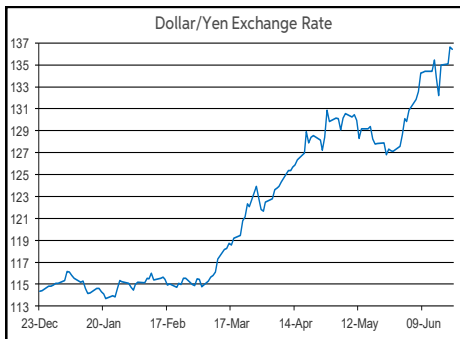
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

Wednesday 22 June 2022  
07:26 am



Euro		Sterling		Dollar	
EUR/GBP	0.8581	GBP/EUR	1.1644	USD/JPY	136.44
EUR/USD	1.0504	GBP/USD	1.2236	USD/CAD	1.2967
EUR/JPY	143.3	GBP/CAD	1.5868	USD/CHF	0.9676
EUR/SEK	10.6688	GBP/NZD	1.952	USD/CNY	6.7233
EUR/DKK	7.4389	GBP/JPY	166.95	USD/BRL	5.1252
EUR/NOK	10.4332	GBP/SEK	12.4273	USD/RUB	53.8
EUR/CHF	1.0165	GBP/DKK	8.6646	USD/INR	78.2025
EUR/AUD	1.5187	GBP/NOK	12.1573		
EUR/HKD	8.242	GBP/CHF	1.1841	AUD/USD	0.6914
EUR/CAD	1.362	GBP/AUD	1.7692	NZD/USD	0.6266



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	3.28	+5	+52	+177
Germany	1.76	+2	+81	+194
UK	2.65	+5	+76	+168
Ireland	2.44	+1	+84	+219
Belgium	2.41	+1	+84	+223
France	2.34	+2	+84	+214
Italy	3.79	-0	+83	+261
Spain	2.85	+0	+77	+226
Portugal	2.81	+2	+68	+233
Greece	3.92	-7	+25	+260
<b>5 Year Swap %</b>				
US	3.38	+1	+64	+204
Eurozone	2.29	+1	+92	+228
UK	3.18	+6	+82	+191
<b>2 Year Swap %</b>				
US	3.57	-0	+81	+263
Eurozone	1.81	-0	+88	+211
UK	3.30	-2	+90	+211
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	68	-1	+3	+25
Belgium	65	-1	+3	+29
France	58	+0	+3	+20
Italy	203	-2	+2	+67
Spain	109	-2	-4	+32
Portugal	105	+0	-12	+39
Greece	215	-9	-56	+66

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	114.65	+0.46	+0.96	+47.40
West Texas Oil	110.49	+0.20	-1.83	+46.67
Gold \$	1832.6	-0.31	-1.79	+0.23

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