

## Calmer mood on markets

There was a more settled look to financial markets yesterday after the robust action over the previous days, which followed last Wednesday's more hawkish Fed meeting conclusion. For much of yesterday, most of the main asset classes were characterised by uneventful trading. This included currency markets, where the majors were confined within narrow ranges.

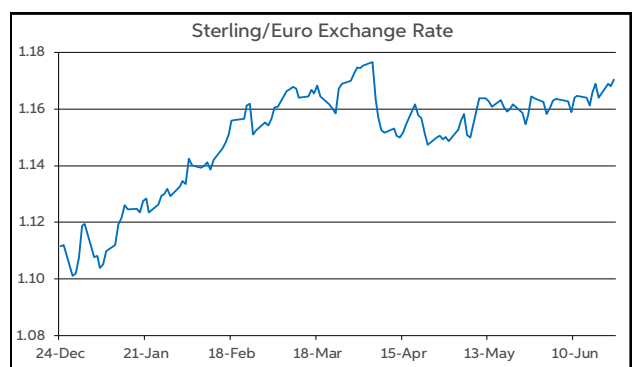
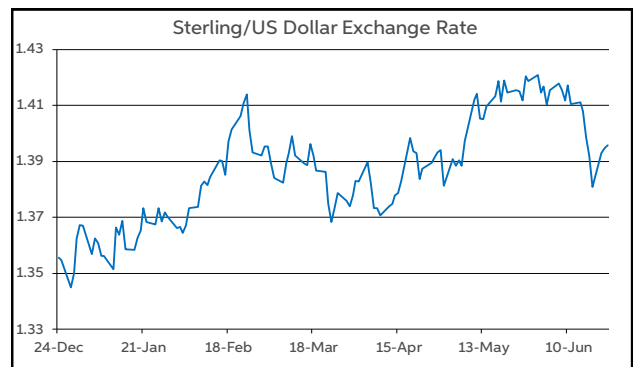
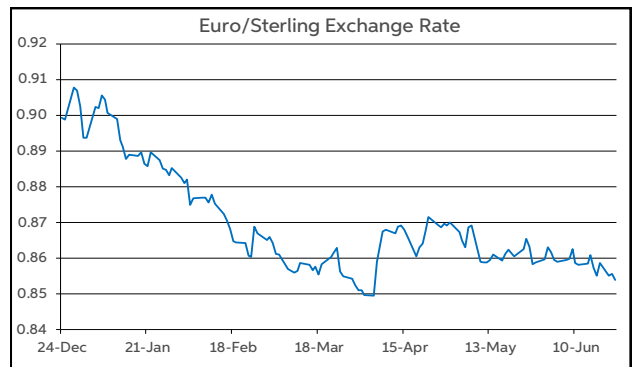
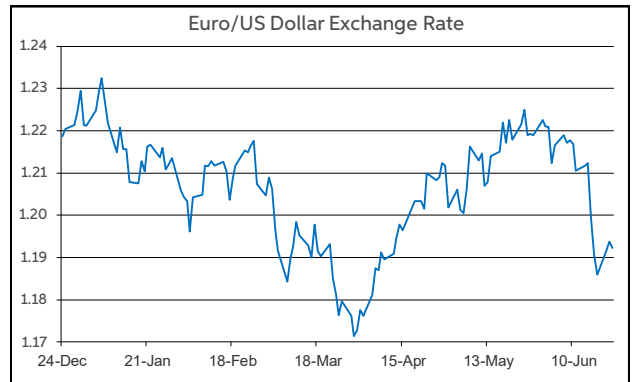
This was not overly surprising given the lack of any top tier data on both sides of the Atlantic to provide direction. The main Eurozone data highlight was the flash reading of the EC measure of consumer confidence for June. It printed slightly better than expected, but did not generate any impact on the euro.

The only notable release from the US macro diary was existing home sales for May. Sales fell for a fourth straight month, although not by as much as had been forecast. Meanwhile, Fed Chair Powell's comments before a Congressional Committee did not provide any new insight on the Central Bank's policy outlook, and therefore had no influence on the dollar.

As forex trading gets underway this morning, the main pairs open at levels broadly similar to 24 hours earlier. The EUR/USD pair continues to straddle the \$1.19 threshold. Meanwhile, EUR/GBP remains near to the midpoint of 85-86p. Elsewhere, GBP/USD is changing hands within the \$1.39-1.40 trading band.

Ahead today, we get one of the main data events of the week with the release of the flash PMIs for June from the US, Eurozone and UK. However, with the survey results expected to confirm that these economies are all moving in the same upward trajectory, the impact on their respective currencies may be muted.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1923	0.18	-2.37
EUR/GBP	0.8541	-0.16	-4.43
GBP/USD	1.3958	0.37	2.08
GBP/EUR	1.1703	0.16	4.64
USD/JPY	110.87	0.38	7.39
EUR/JPY	132.21	0.57	4.80

\* 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	0.09	0.13	0.15	0.32	0.92
EUR	0.00	-0.55	-0.54	-0.50	-0.45	-0.23
GBP	0.10	0.05	0.08	0.16	0.40	0.76

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

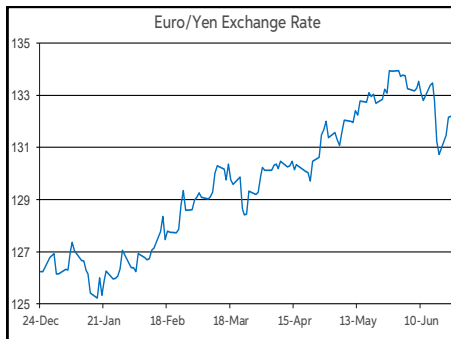
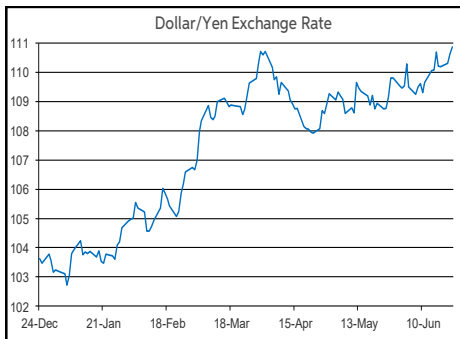
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

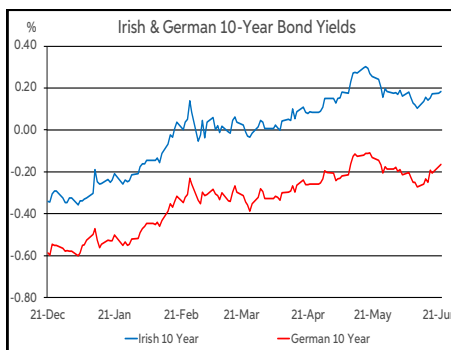
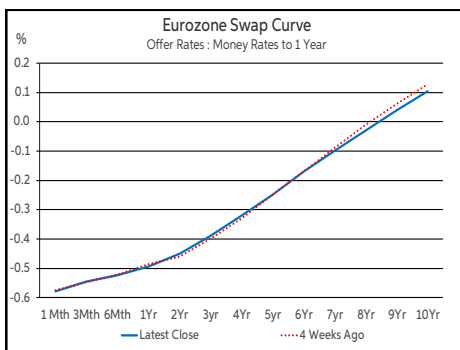
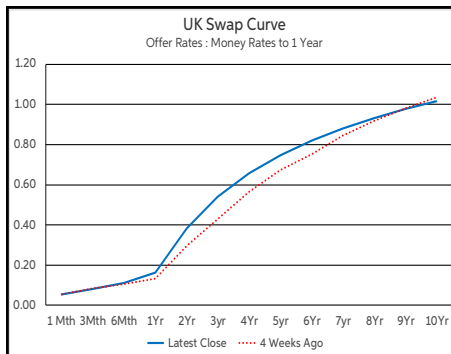
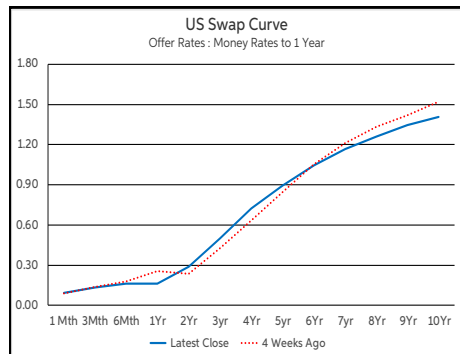
Wednesday 23 June 2021  
08:03 am



Euro		Sterling		Dollar	
EUR/GBP	0.8541	GBP/EUR	1.1703	USD/JPY	110.87
EUR/USD	1.1923	GBP/USD	1.3958	USD/CAD	1.2308
EUR/JPY	132.21	GBP/CAD	1.718	USD/CHF	0.9181
EUR/SEK	10.1192	GBP/NZD	1.9889	USD/CNY	6.484
EUR/DKK	7.4356	GBP/JPY	154.74	USD/BRL	4.9574
EUR/NOK	10.1781	GBP/SEK	11.8436	USD/RUB	72.72
EUR/CHF	1.0949	GBP/DKK	8.7027	USD/INR	74.235
EUR/AUD	1.5794	GBP/NOK	11.9152	AUD/USD	0.7549
EUR/HKD	9.2577	GBP/CHF	1.2816	NZD/USD	0.7015
EUR/CAD	1.4676	GBP/AUD	1.8489		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.47	-3	-9	+55
Germany	-0.16	+1	+0	+41
UK	0.78	+1	-1	+58
<b>5 Year Swap %</b>				
US	0.90	-2	+6	+47
Eurozone	-0.25	-1	+1	+21
UK	0.75	-0	+8	+56
<b>2 Year Swap %</b>				
US	0.29	-2	+9	+10
Eurozone	-0.45	+1	+2	+8
UK	0.38	-0	+10	+36
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	38	-0	-2	+11
Belgium	31	+0	-3	+12
France	34	-1	-3	+10
Italy	106	+1	-7	-3
Spain	63	-0	-4	-0
Portugal	62	+1	-5	-2
Greece	100	+1	-6	-20



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	74.81	-0.12	+8.97	+44.42
West Texas Oil	73.15	-0.67	+10.38	+51.29
Gold \$	1778.5	-0.25	-6.36	-6.22

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