

Flash PMI data ahead today

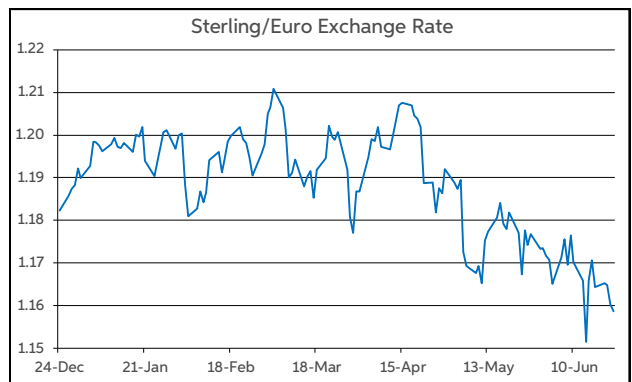
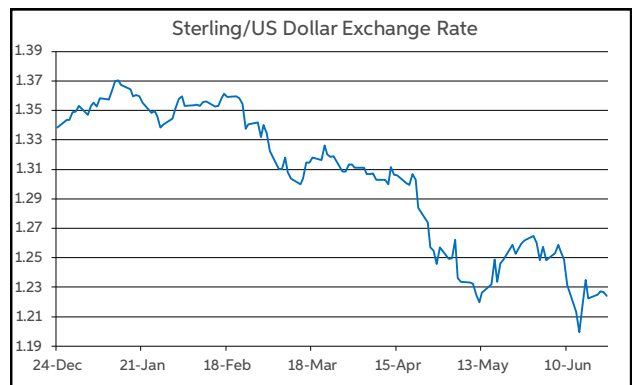
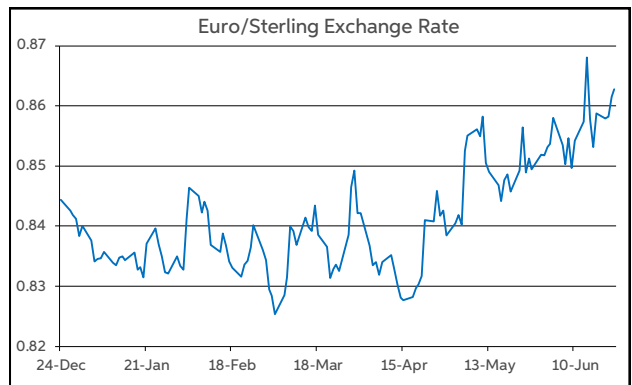
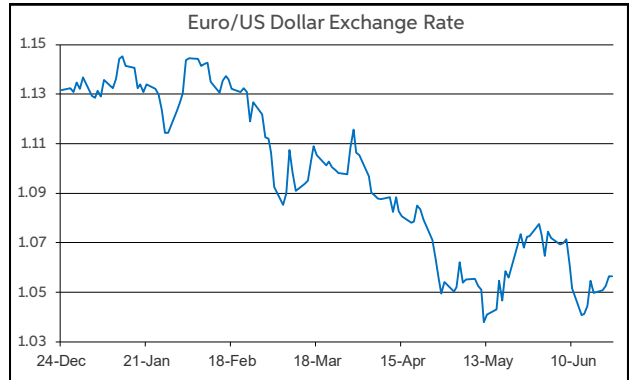
There was a mixed mood on equity markets yesterday. The Euro Stoxx 50 fell by 0.8%, while across the Atlantic, the S&P 500 closed near to flat for the day. On bond markets, yields moved sharply lower across the board. 10-year US Treasury and UK Gilt yields fell by 12-15bps. Meanwhile, most 10-year yields in the Euro-area declined by 14-17bps.

Currency-wise, the dollar found itself on the back-foot yesterday. The move lower coincided with comments from Fed Chair Powell during the first day of his semi-annual testimony to Congress. As a result, EUR/USD briefly rose above \$1.06. In a similar pattern to the day before though, the dollar recouped some of its losses overnight. Elsewhere, the euro was holding a slightly firmer tone. The single currency rose by circa 0.6% against the dollar and sterling.

As trading gets underway today, the firmer tone to the euro is evidenced by EUR/USD opening up in the top half of the \$1.05-1.06 range. Meanwhile, EUR/GBP is operating back above the 86p threshold. Cable (GBP/USD) is changing hands just below the midpoint of the \$1.22-1.23 corridor. USD/JPY is trading back under the ¥136 handle.

Turning to the day ahead, the main data releases will be the flash PMIs for June in the US, Eurozone and UK. Similar to May, both sector readings are forecast to move lower, but remain in expansion mode in all three regions. Barring any major surprises though, the data are unlikely to impact on forex markets. Elsewhere, investors will be keeping a close eye on the final day of testimony from Fed Chair Powell to Congress.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2021 |
| EUR/USD | 1.0564 | 0.66 | -7.07 |
| EUR/GBP | 0.8625 | 0.56 | 2.68 |
| GBP/USD | 1.2244 | 0.11 | -9.50 |
| GBP/EUR | 1.1586 | -0.56 | -2.61 |
| USD/JPY | 135.77 | -0.32 | 17.98 |
| EUR/JPY | 143.43 | 0.33 | 9.60 |

* 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 | 1.64 | 2.15 | 3.35 | 3.48 | 3.27 |
| EUR | 0.00 | -0.51 | -0.16 | 1.03 | 1.75 | 2.18 |
| GBP | 1.25 | 1.23 | 1.62 | 2.86 | 3.14 | 3.03 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

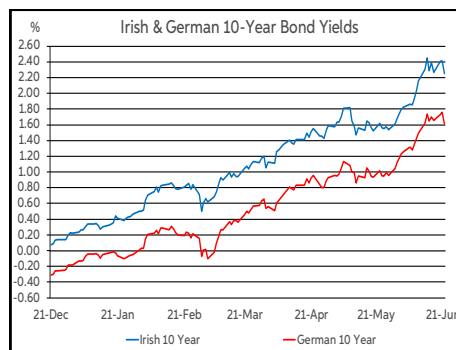
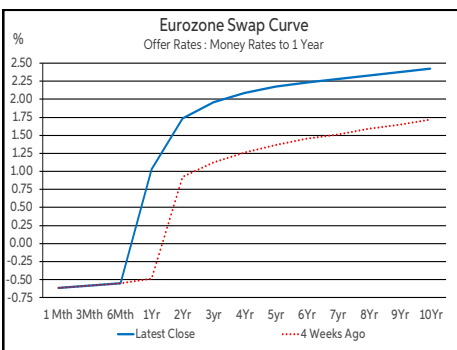
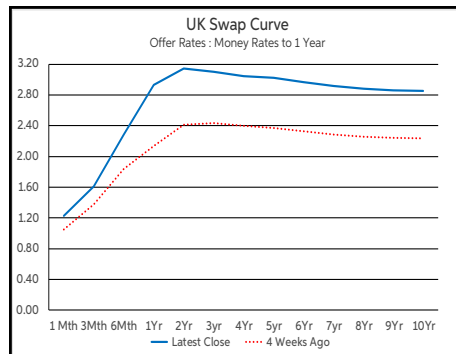
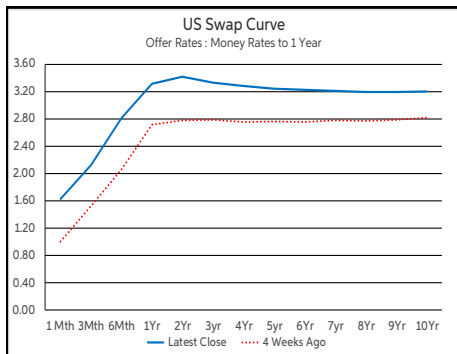
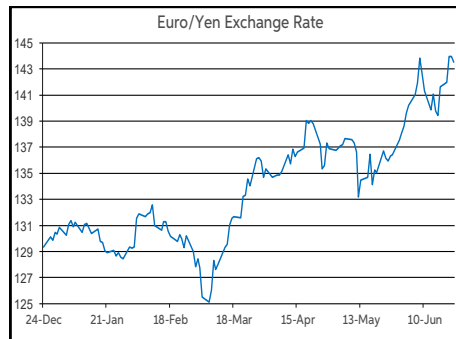
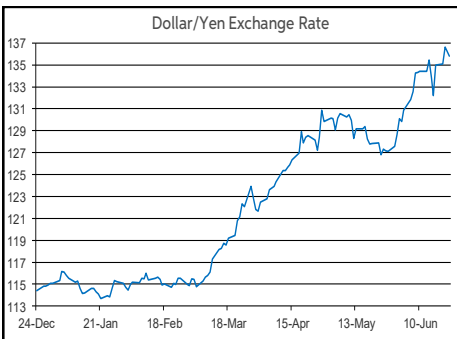
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|---------|---|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|
| FX Spot | Karl Cooke Shane Gargan Ian Burke | FX Options | Mark Tuite | Reuters Phone | AIBG.I 00353-1-7724018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

Opening Levels

Thursday 23 June 2022
07:35 am



| Euro | | Sterling | | Dollar | |
|---------|--------|----------|---------|---------|--------|
| EUR/GBP | 0.8625 | GBP/EUR | 1.1586 | USD/JPY | 135.77 |
| EUR/USD | 1.0564 | GBP/USD | 1.2244 | USD/CAD | 1.2955 |
| EUR/JPY | 143.43 | GBP/CAD | 1.5864 | USD/CHF | 0.9614 |
| EUR/SEK | 10.678 | GBP/NZD | 1.9541 | USD/CNY | 6.7038 |
| EUR/DKK | 7.4382 | GBP/JPY | 166.24 | USD/BRL | 5.1945 |
| EUR/NOK | 10.479 | GBP/SEK | 12.3768 | USD/RUB | 53.15 |
| EUR/CHF | 1.0157 | GBP/DKK | 8.6203 | USD/INR | 78.265 |
| EUR/AUD | 1.5319 | GBP/NOK | 12.141 | | |
| EUR/HKD | 8.2904 | GBP/CHF | 1.1775 | AUD/USD | 0.6894 |
| EUR/CAD | 1.3686 | GBP/AUD | 1.7756 | NZD/USD | 0.6264 |



| Debt Markets | | | | |
|---|-------|------------|---------|--------|
| | Close | Change bps | | |
| | | Day | 4 Weeks | End 21 |
| 10 Year Yield % | | | | |
| US | 3.16 | -12 | +41 | +165 |
| Germany | 1.62 | -14 | +67 | +180 |
| UK | 2.50 | -15 | +59 | +152 |
| 5 Year Swap % | | | | |
| US | 3.25 | -13 | +52 | +191 |
| Eurozone | 2.17 | -12 | +82 | +216 |
| UK | 3.03 | -16 | +66 | +175 |
| 2 Year Swap % | | | | |
| US | 3.42 | -16 | +68 | +248 |
| Eurozone | 1.74 | -8 | +82 | +204 |
| UK | 3.14 | -16 | +74 | +195 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 66 | -1 | +4 | +24 |
| Belgium | 64 | -1 | +3 | +28 |
| France | 54 | -3 | +2 | +17 |
| Italy | 202 | -1 | +3 | +66 |
| Spain | 107 | -2 | -3 | +30 |
| Portugal | 106 | +0 | -10 | +39 |
| Greece | 225 | +9 | -37 | +76 |

| Commodities | | | | |
|----------------|--------|----------|---------|--------|
| | Close | % Change | | |
| | | Day | 4 Weeks | End 21 |
| Brent Oil | 111.74 | -2.54 | -2.01 | +43.66 |
| West Texas Oil | 106.22 | -3.86 | -5.90 | +41.01 |
| Gold \$ | 1837.4 | +0.26 | -0.83 | +0.49 |

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