

Bank of England meeting today

There was a generally cautious tone to investor sentiment yesterday on equity markets. The Euro Stoxx 50 lost 0.9%, while the S&P 500 was broadly flat for the day. Currency-wise, the dollar was holding a slightly softer tone. However, the euro was unable to recover any further recent lost ground against the dollar.

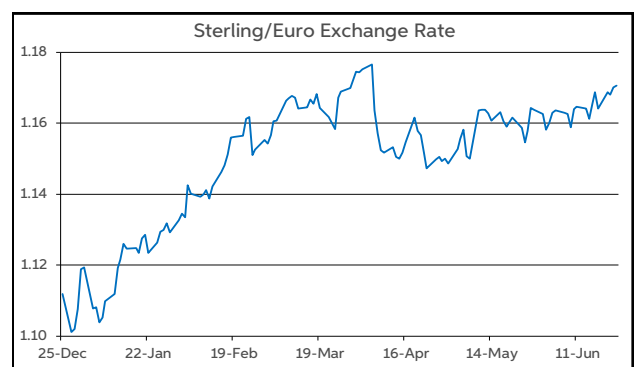
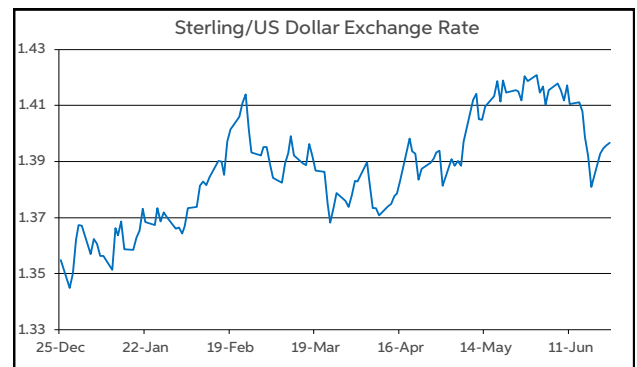
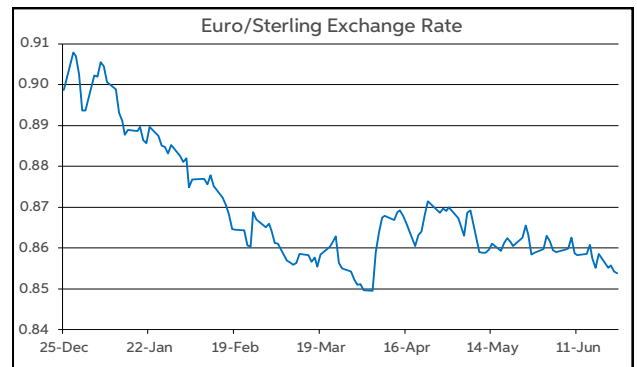
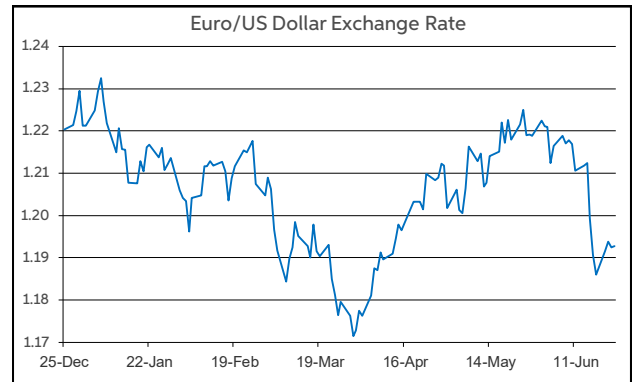
Data-wise, the June flash PMIs in the Eurozone, UK and US all featured. In the Eurozone, both indices improved, and printed ahead of expectations, consistent with accelerating growth across the bloc. Meanwhile, both readings from the UK remained elevated, above 60. In the US, the manufacturing PMI edged higher, while the services PMI moved lower. However, both indicators, continued to register very strong readings above 60.

In level terms, the main FX pairs open at broadly similar levels to 24 hours earlier. EUR/USD starts today in the bottom half of \$1.19-1.20. Meanwhile, EUR/GBP is just below the midpoint of 85-86p. Cable (GBP/USD) continues to operate in a \$1.39-1.40 corridor.

Ahead today, the main highlight will be the latest Bank of England meeting. However, it may be a non-event, with policy expected to be kept on hold. The meeting statement and minutes will likely note that economic data has come in slightly ahead of the most recent forecasts from the BoE so far in Q2.

Elsewhere, the bellwether German Ifo (June) is projected to move higher, providing further evidence of improving economic conditions in Germany. Meanwhile in the US, the consensus is that initial claims will return to their downward path, after unexpectedly rising last week. Barring any major surprises though, the data may not impact their respective currencies.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2020 |
| EUR/USD | 1.1929 | 0.10 | -2.33 |
| EUR/GBP | 0.8538 | -0.20 | -4.46 |
| GBP/USD | 1.397 | 0.29 | 2.17 |
| GBP/EUR | 1.1707 | 0.20 | 4.67 |
| USD/JPY | 110.83 | 0.04 | 7.35 |
| EUR/JPY | 132.23 | 0.14 | 4.81 |

* 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 | 0.17 | 0.32 | 0.94 |
| EUR | 0.00 | -0.55 | -0.54 | -0.49 | -0.45 | -0.25 |
| GBP | 0.10 | 0.05 | 0.08 | 0.16 | 0.40 | 0.75 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

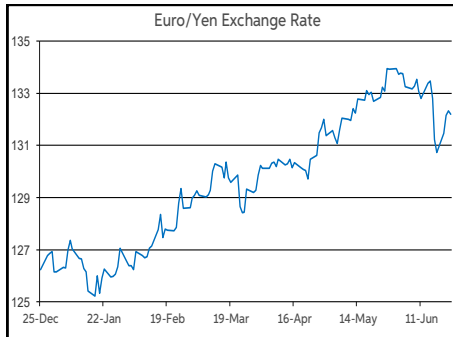
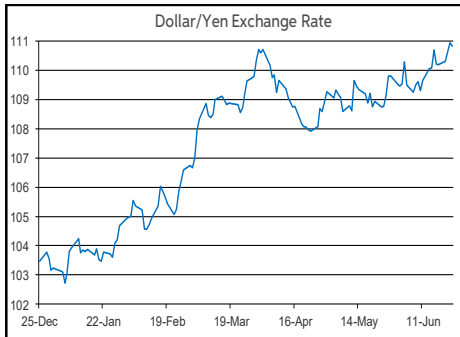
| | | | | | | | |
|---------|--|----------------|------------|------------------|---------------------------|-----------------|-----------------------------------|
| FX Spot | Karl Cooke Shane Gargan Enda Homan | FX Options | Mark Tuite | Reuters Phone | AIBG.I 00353-1-7724018 | Morning Comment | John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

Opening Levels

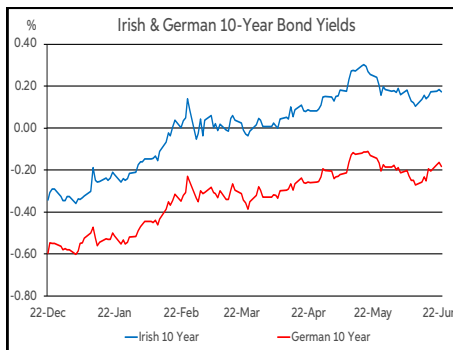
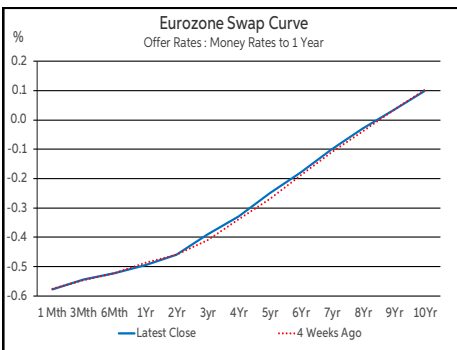
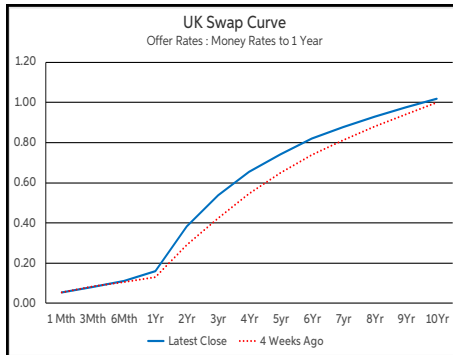
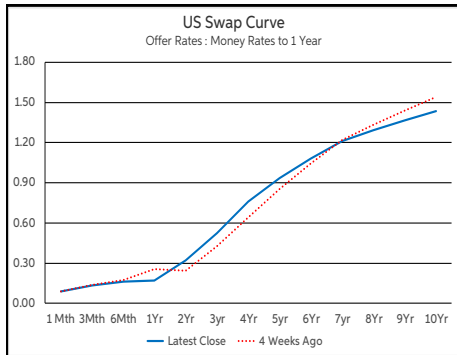
Thursday 24 June 2021
07:22 am



| Euro | | Sterling | | Dollar | |
|---------|---------|----------|---------|---------|--------|
| EUR/GBP | 0.854 | GBP/EUR | 1.1706 | USD/JPY | 110.83 |
| EUR/USD | 1.1931 | GBP/USD | 1.3969 | USD/CAD | 1.2301 |
| EUR/JPY | 132.22 | GBP/CAD | 1.7184 | USD/CHF | 0.9184 |
| EUR/SEK | 10.1179 | GBP/NZD | 1.9787 | USD/CNY | 6.4747 |
| EUR/DKK | 7.4363 | GBP/JPY | 154.82 | USD/BRL | 4.9661 |
| EUR/NOK | 10.1742 | GBP/SEK | 11.8426 | USD/RUB | 72.475 |
| EUR/CHF | 1.0961 | GBP/DKK | 8.7063 | USD/INR | 74.225 |
| EUR/AUD | 1.5743 | GBP/NOK | 11.9074 | AUD/USD | 0.7575 |
| EUR/HKD | 9.2623 | GBP/CHF | 1.2832 | NZD/USD | 0.7056 |
| EUR/CAD | 1.4675 | GBP/AUD | 1.8433 | | |



| Debt Markets | | | | |
|---|-------|------------|---------|--------|
| | Close | Change bps | | |
| | | Day | 4 Weeks | End 20 |
| 10 Year Yield % | | | | |
| US | 1.49 | +2 | -10 | +57 |
| Germany | -0.18 | -2 | +2 | +40 |
| UK | 0.78 | +0 | +3 | +59 |
| Ireland | | | | |
| Ireland | 0.21 | -1 | +2 | +51 |
| Belgium | 0.13 | -2 | -0 | +51 |
| France | 0.16 | -2 | +0 | +50 |
| Italy | 0.90 | -0 | -2 | +38 |
| Spain | 0.45 | -2 | -0 | +40 |
| Portugal | 0.44 | -2 | -2 | +38 |
| Greece | 0.83 | -1 | -3 | +20 |
| 5 Year Swap % | | | | |
| US | 0.94 | +4 | +9 | +51 |
| Eurozone | -0.25 | +0 | +3 | +21 |
| UK | 0.74 | -1 | +10 | +55 |
| 2 Year Swap % | | | | |
| US | 0.32 | +3 | +12 | +13 |
| Eurozone | -0.46 | -1 | +1 | +7 |
| UK | 0.38 | +0 | +10 | +36 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 39 | +1 | -1 | +12 |
| Belgium | 31 | -1 | -3 | +12 |
| France | 33 | -0 | -2 | +10 |
| Italy | 108 | +1 | -5 | -2 |
| Spain | 63 | +0 | -3 | +0 |
| Portugal | 62 | +0 | -4 | -2 |
| Greece | 101 | +0 | -6 | -19 |



| Commodities | | | | |
|----------------|----------|-------|---------|--------|
| | % Change | | | |
| | Close | Day | 4 Weeks | End 20 |
| Brent Oil | 75.19 | +0.51 | +9.18 | +45.15 |
| West Texas Oil | 73.11 | -0.05 | +10.09 | +51.21 |
| Gold \$ | 1778.7 | +0.01 | -6.21 | -6.21 |

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.