

Dollar on the front-foot

Investor sentiment remained downbeat yesterday amid continued concerns regarding the economic outlook. The Euro Stoxx 50 fell by 1%. Across the Atlantic, the S&P 500 finished flat for the day. On bond markets, yields moved lower, with Euro-area benchmark yields falling by between 8-22bps. 10-year UK Gilt and US Treasury yields declined by 9bps, respectively.

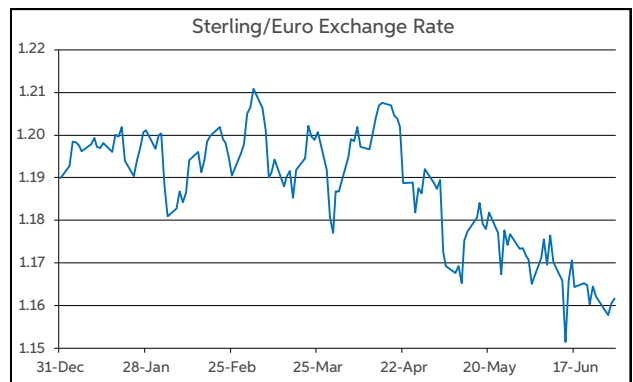
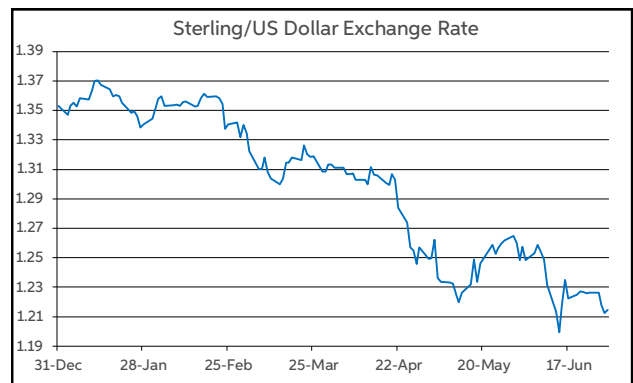
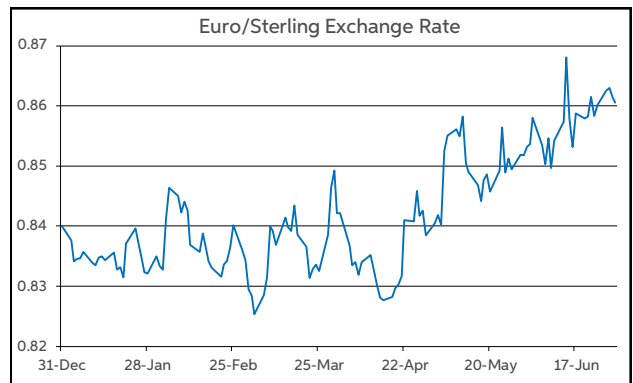
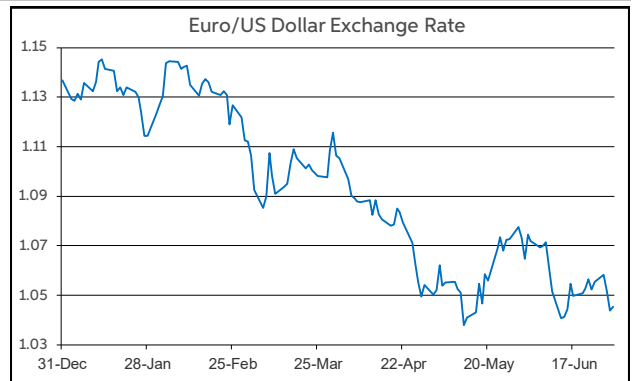
Currency-wise, the dollar was on the front foot following comments from Chair Powell, who stated he believes the Fed can raise rates further without causing a recession in the US. Hawkish remarks from another Fed official, Mester, also provided some support for the greenback, as did the general risk averse tone on markets.

Meanwhile on the data front, German HICP inflation printed below the consensus of 8.8% in June, falling to 8.2% from 8.7% in May. However, the decline was due to a number of temporary factors, most notably lower rail fares. Elsewhere, the EC sentiment indices came in slightly ahead of forecast in June. However, the releases did not greatly impact the euro yesterday.

In level terms, the firmer tone to the dollar is reflected by EUR/USD opening this morning back near the halfway mark of \$1.04-1.05. GBP/USD is operating in and around the midpoint of the \$1.21-1.22 range. EUR/GBP remains just above the 86p handle.

Today, the main release of note will be core-PCE inflation in the US. The forecast is for another slight decline in the y/y rate, to 4.8% in May from 4.9%. US personal income and consumption data for May are also due. In the Eurozone, the unemployment rate is projected to remain at a record low of 6.8% in May.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0456	-0.45	-8.02
EUR/GBP	0.8608	-0.03	2.48
GBP/USD	1.2145	-0.42	-10.23
GBP/EUR	1.1613	0.03	-2.42
USD/JPY	136.34	0.22	18.47
EUR/JPY	142.57	-0.23	8.94

* 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	1.67	2.25	3.31	3.39	3.20
EUR	0.00	-0.54	-0.21	0.91	1.54	1.99
GBP	1.25	1.23	1.66	2.81	3.07	2.97

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

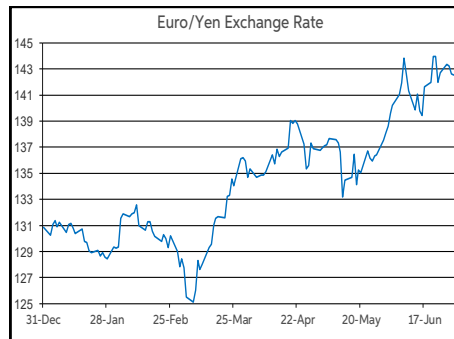
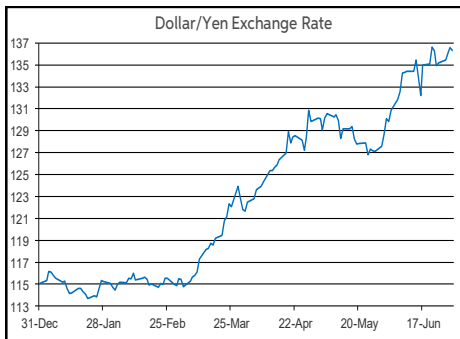
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

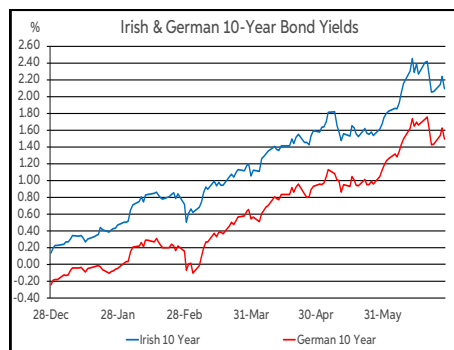
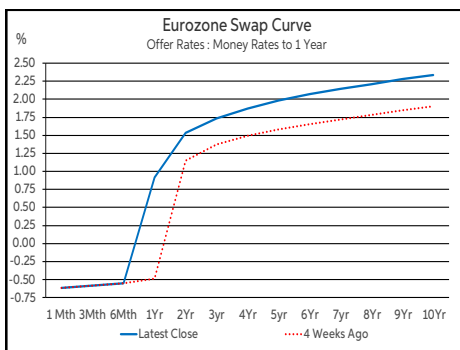
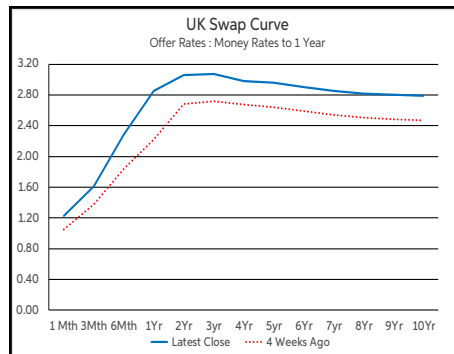
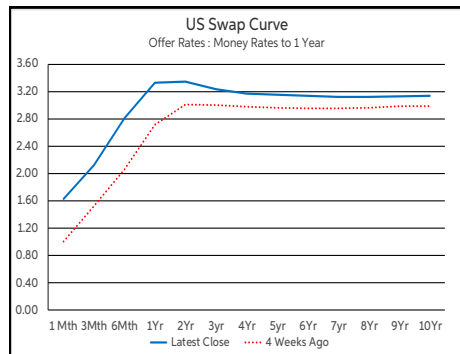
Thursday 30 June 2022
07:04 am



Euro		Sterling		Dollar	
EUR/GBP	0.8608	GBP/EUR	1.1611	USD/JPY	136.33
EUR/USD	1.0456	GBP/USD	1.2145	USD/CAD	1.2895
EUR/JPY	142.57	GBP/CAD	1.5663	USD/CHF	0.9539
EUR/SEK	10.6909	GBP/NZD	1.9537	USD/CNY	6.6908
EUR/DKK	7.439	GBP/JPY	165.57	USD/BRL	5.1822
EUR/NOK	10.3285	GBP/SEK	12.4172	USD/RUB	52.85
EUR/CHF	0.9974	GBP/DKK	8.6404	USD/INR	78.9275
EUR/AUD	1.5167	GBP/NOK	11.9944		
EUR/HKD	8.2011	GBP/CHF	1.1585	AUD/USD	0.6893
EUR/CAD	1.3483	GBP/AUD	1.7618	NZD/USD	0.6216



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.09	-9	+18	+158
Germany	1.50	-13	+32	+168
UK	2.38	-9	+23	+141
Ireland				
Ireland	2.17	-8	+41	+192
Belgium	2.16	-10	+37	+198
France	2.06	-11	+36	+187
Italy	3.50	-16	+31	+232
Spain	2.60	-14	+30	+200
Portugal	2.58	-14	+24	+209
Greece	3.66	-22	+6	+235
5 Year Swap %				
US	3.15	-9	+23	+182
Eurozone	1.98	-10	+41	+197
UK	2.96	-5	+32	+169
2 Year Swap %				
US	3.34	-7	+37	+240
Eurozone	1.54	-8	+40	+184
UK	3.06	-6	+38	+187
10 Year Government Bond Spreads to Benchmark bps				
Ireland	67	+5	+8	+24
Belgium	65	+3	+4	+30
France	56	+2	+4	+19
Italy	200	-3	-1	+63
Spain	109	-1	-2	+32
Portugal	107	-1	-8	+41
Greece	216	-9	-26	+67



Commodities				
	Close	% Change		
		Day	4 Weeks	End 21
Brent Oil	116.26	-1.46	-0.03	+49.47
West Texas Oil	111.65	-1.77	-3.13	+48.21
Gold \$	1817.1	-0.14	-1.54	-0.62

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