

## Risk off day on markets

There was a risk averse tone to proceedings on financial markets yesterday. There was no specific trigger for this 'risk off' mood and it must be noted that it comes on the back of Wall Street hitting new record highs recently.

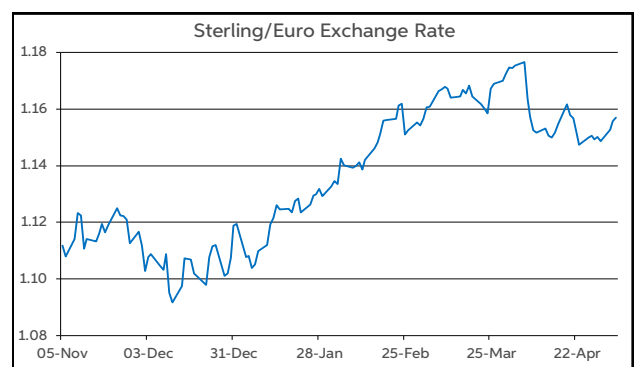
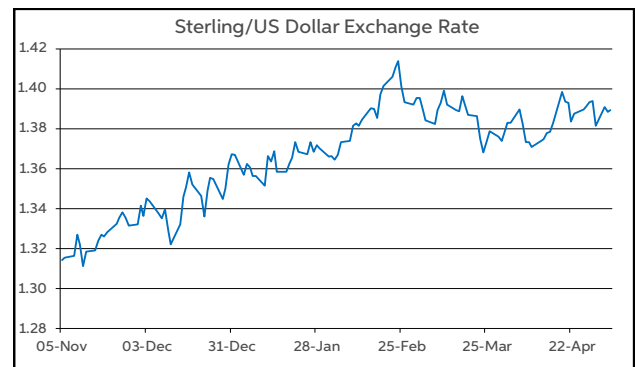
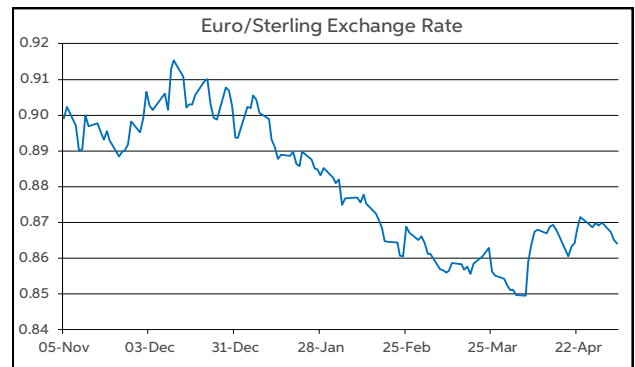
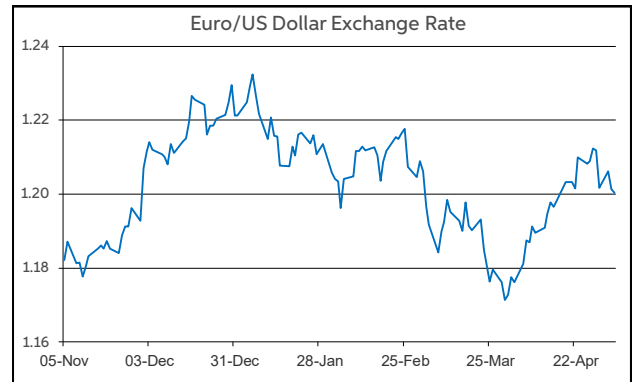
In Europe, the Euro Stoxx 50 finished the day down around 1.9%. At the closing bell on Wall Street last night, the S&P 500 was down 0.7%. Meanwhile, on bond markets, the more cautious mood to investor sentiment was reflected in the main benchmark sovereign yields moving lower on the day.

On the currency front, the action remained confined to relatively tight ranges. Of the limited moves to register, the euro was holding a slightly softer tone. The macro calendar offered little in the way of top tier releases to be of any influence to the main FX pairs. Indeed, one of the few releases of note was US factory orders for March. The headline reading missed to the downside of forecasts (+1.1% m/m vs +1.3% f'cast), but as expected it generated no reaction from the dollar.

Overall then, in level terms, the slightly softer tone to the euro over the last 24 hours is evident in the EUR/USD pair opening this morning down at the \$1.20 threshold. Meantime, EUR/GBP has also edged lower and is trading in the lower half of 86-87p. Elsewhere, GBP/USD is up near to the \$1.39 mark.

Looking ahead to today, the macro diary is once again fairly sparse. The main highlights are the final PMI readings for April as well as the US non-manufacturing ISM survey for April. Given the quiet calendar, it could be another day of narrow range trading for the main FX pairs.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2005	-0.29	-1.70
EUR/GBP	0.8639	-0.43	-3.33
GBP/USD	1.3894	0.15	1.62
GBP/EUR	1.1572	0.43	3.45
USD/JPY	109.4	0.12	5.97
EUR/JPY	131.36	-0.17	4.12

\* 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	0.11	0.18	0.19	0.29	0.92
EUR	0.00	-0.56	-0.54	-0.51	-0.48	-0.28
GBP	0.10	0.05	0.08	0.13	0.32	0.71

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

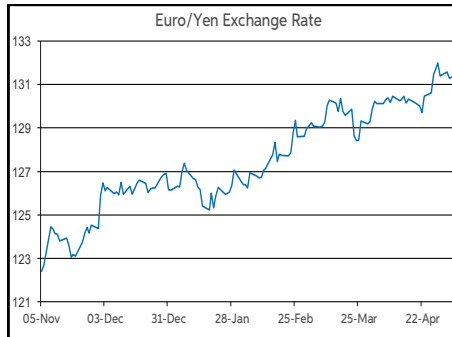
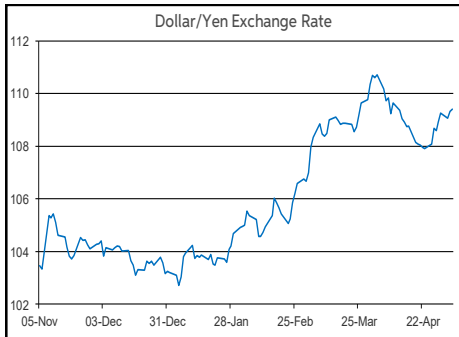
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

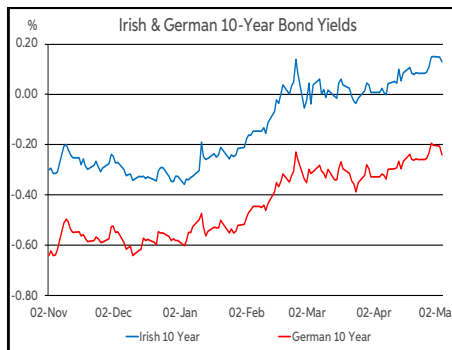
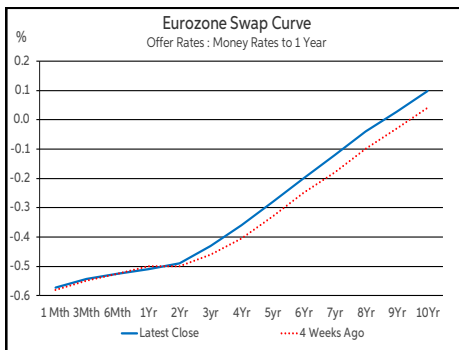
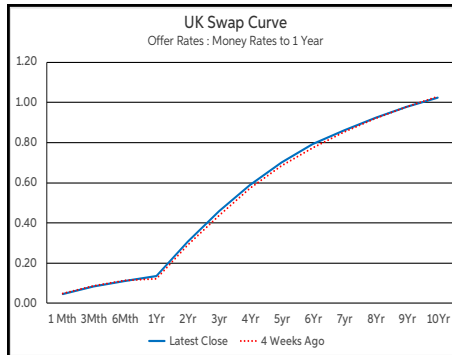
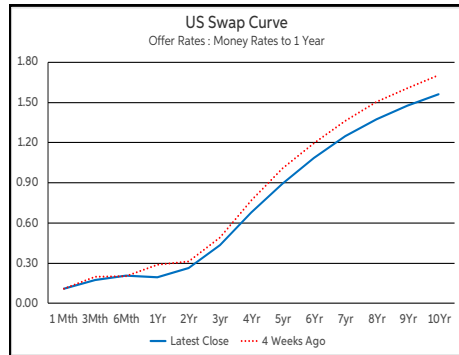
Wednesday 05 May 2021  
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.8639	GBP/EUR	1.1572	USD/JPY	109.4
EUR/USD	1.2005	GBP/USD	1.3894	USD/CAD	1.2295
EUR/JPY	131.36	GBP/CAD	1.7084	USD/CHF	0.9142
EUR/SEK	10.1855	GBP/NZD	1.9409	USD/CNY	6.473
EUR/DKK	7.4358	GBP/JPY	152	USD/BRL	5.4445
EUR/NOK	10.0016	GBP/SEK	11.7852	USD/RUB	74.8144
EUR/CHF	1.0978	GBP/DKK	8.6058	USD/INR	73.97
EUR/AUD	1.5553	GBP/NOK	11.5668	AUD/USD	0.7717
EUR/HKD	9.3251	GBP/CHF	1.2705	NZD/USD	0.7157
EUR/CAD	1.4763	GBP/AUD	1.8		



Debt Markets				
	Close	Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.59	-1	-7	+67
Germany	-0.24	-4	+8	+34
UK	0.80	-5	-0	+60
Ireland	0.16	-2	+11	+47
Belgium	0.11	-3	+11	+50
France	0.12	-3	+18	+46
Italy	0.82	-1	+12	+30
Spain	0.44	-3	+9	+38
Portugal	0.44	-3	+20	+38
Greece	1.01	+2	+15	+38
<b>5 Year Swap %</b>				
US	0.89	+0	-7	+47
Eurozone	-0.28	-2	+6	+18
UK	0.70	-3	+2	+51
<b>2 Year Swap %</b>				
US	0.26	-1	-2	+7
Eurozone	-0.49	-1	+2	+4
UK	0.31	-1	+3	+28
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	40	+1	+3	+13
Belgium	35	+1	+3	+16
France	36	+1	+11	+13
Italy	106	+2	+4	-4
Spain	68	+1	+1	+5
Portugal	68	+0	+12	+5
Greece	124	+5	+7	+4



Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	68.88	+1.95	+9.79	+32.97
West Texas Oil	65.72	+1.95	+10.75	+35.93
Gold \$	1778.5	-0.77	+2.00	-6.22

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