

## Main FX pairs range bound

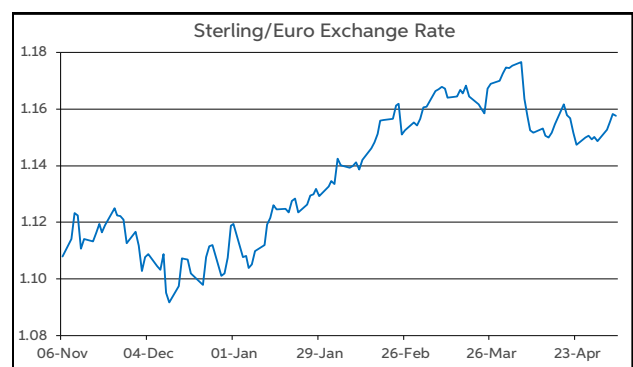
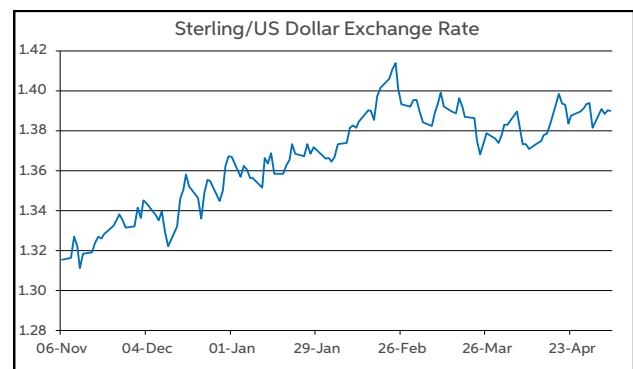
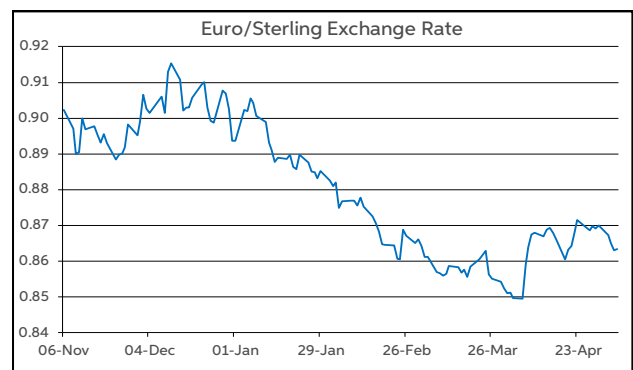
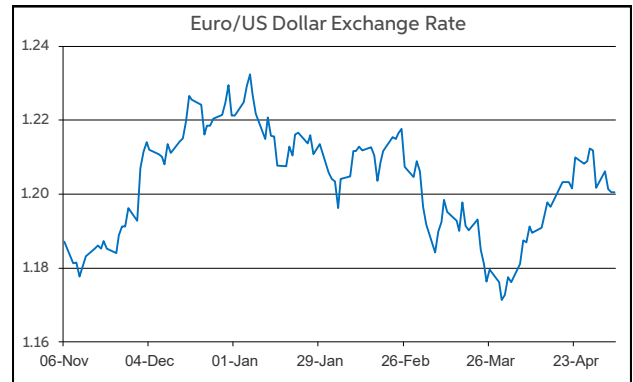
There was some improvement in investor sentiment yesterday following Tuesday's risk averse mood. In Europe, the Euro Stoxx 50 gained 1.4% (following a fall of around 2% the previous day). Meanwhile, a dip heading into the close, saw the S&P 500 finish flat for the day. The action on bond markets was relatively muted. Most of the main global sovereign benchmark yields were only 1-2bps changed over the course of the day.

It was a similar story of uneventful action on the currency front. The majors were confined to very tight ranges. This was not unexpected given the quiet macro diary. The main release of note, the US non-manufacturing ISM for April, missed to the downside of expectations. However, the April reading still represents its second highest level on record. From a currency viewpoint, the survey data had no noticeable impact on the dollar.

So as trading gets underway this morning, the main pairs start the day broadly unchanged over the last 24 hours. The EUR/USD pair has spent this period straddling the \$1.20 threshold. Meantime, EUR/GBP continues to trade in a very tight range in the lower half of the 86-87p band. Elsewhere, GBP/USD remains in and around the \$1.39 mark.

For the day ahead, the main highlight will be the conclusion of the BoE meeting for May. While no policy changes are expected, given that there is a press conference and updated macro forecasts, some event risk for sterling cannot be completely discounted. The BoE is likely to revise higher its GDP forecasts. Meanwhile, at the press conference, Governor Bailey may face questions on the issue of QE tapering, as was the case at recent Fed and ECB meetings.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2004	-0.13	-1.71
EUR/GBP	0.8635	-0.09	-3.38
GBP/USD	1.3902	-0.04	1.67
GBP/EUR	1.1577	0.09	3.50
USD/JPY	109.33	0.01	5.90
EUR/JPY	131.26	-0.12	4.04

\* 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	0.17	0.19	0.28	0.89
EUR	0.00	-0.56	-0.54	-0.51	-0.47	-0.28
GBP	0.10	0.05	0.08	0.14	0.33	0.72

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

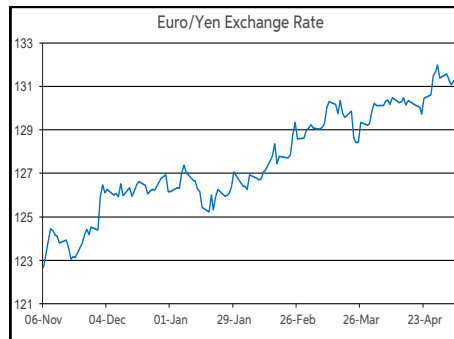
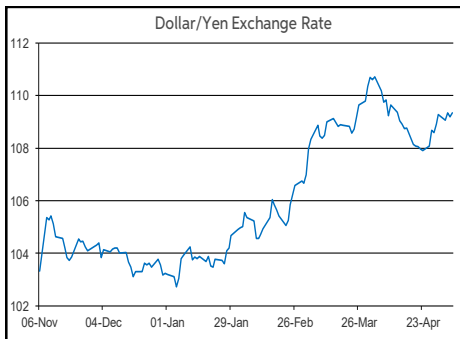
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

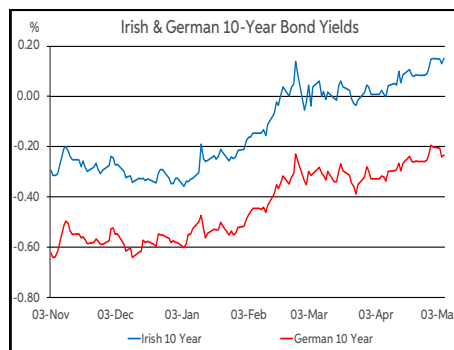
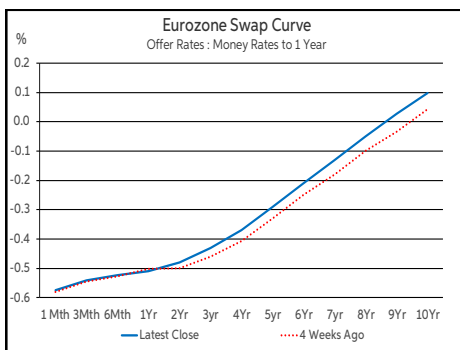
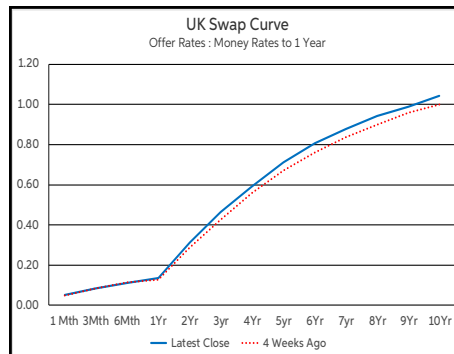
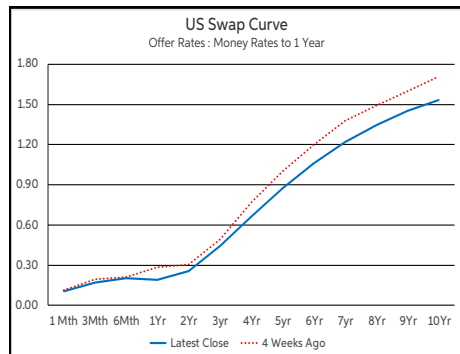
Thursday 06 May 2021  
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8634	GBP/EUR	1.1579	USD/JPY	109.34
EUR/USD	1.2005	GBP/USD	1.3902	USD/CAD	1.2261
EUR/JPY	131.26	GBP/CAD	1.7044	USD/CHF	0.9133
EUR/SEK	10.1909	GBP/NZD	1.9273	USD/CNY	6.4791
EUR/DKK	7.436	GBP/JPY	151.99	USD/BRL	5.3532
EUR/NOK	10.0143	GBP/SEK	11.7995	USD/RUB	74.76
EUR/CHF	1.0967	GBP/DKK	8.6099	USD/INR	73.9375
EUR/AUD	1.5509	GBP/NOK	11.5928	AUD/USD	0.774
EUR/HKD	9.3247	GBP/CHF	1.2697	NZD/USD	0.721
EUR/CAD	1.4718	GBP/AUD	1.7959		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.57	-2	-11	+65
Germany	-0.23	+1	+9	+34
UK	0.82	+2	+4	+62
<b>5 Year Swap %</b>				
US	0.87	-3	-9	+45
Eurozone	-0.29	-1	+5	+17
UK	0.71	+1	+5	+52
<b>2 Year Swap %</b>				
US	0.26	-1	-2	+6
Eurozone	-0.48	+1	+3	+5
UK	0.31	+1	+4	+29
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	42	+1	+6	+15
Belgium	35	+0	+3	+16
France	37	+1	+12	+13
Italy	109	+3	+7	-1
Spain	68	+1	+2	+5
Portugal	70	+1	+13	+6
Greece	121	-4	+3	+0



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	68.96	+0.12	+9.18	+33.13
West Texas Oil	65.63	-0.14	+9.80	+35.74
Gold \$	1786.4	+0.45	+2.83	-5.80

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