

US payrolls due today

There was a somewhat mixed tone to investor sentiment yesterday. The Euro Stoxx 50 finished flat for the day, while across the Atlantic, the S&P 500 gained 0.8%. On the currency front, the main pairs remained range bound, although there was a slightly firmer tone to the euro.

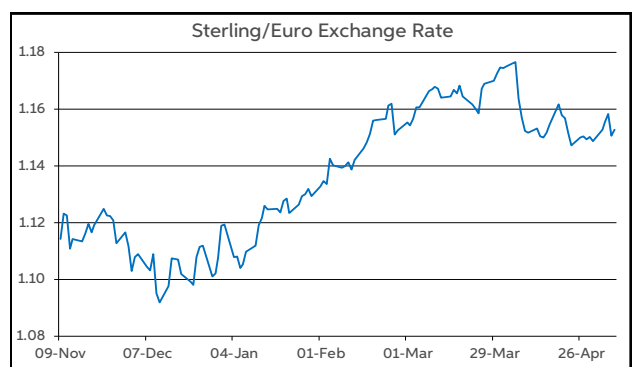
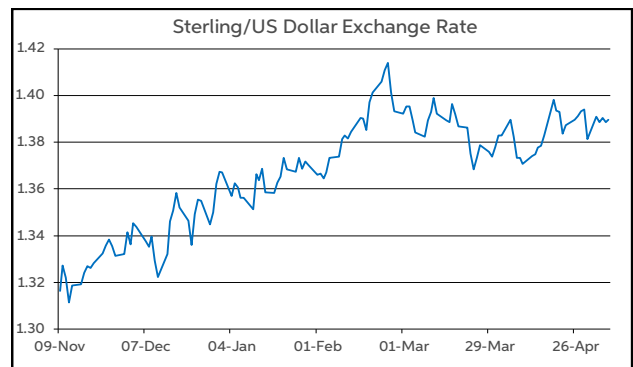
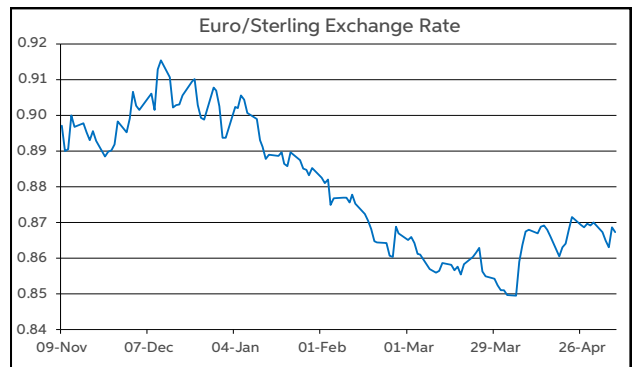
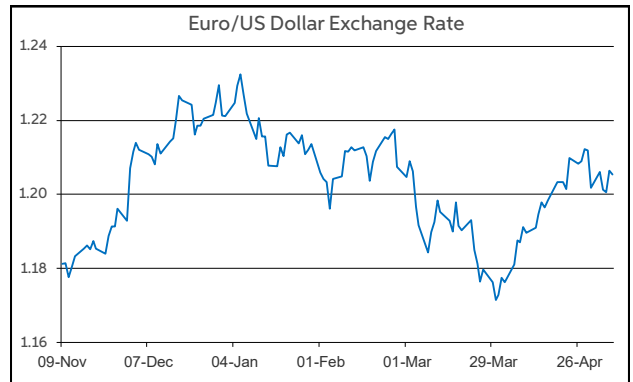
The main macro highlight was the Bank of England monetary policy meeting. As expected the BoE left interest rates unchanged. The central bank did announce that it will reduce its weekly asset purchases to £3.4bn from £4.4bn, though, it stressed that this should not be interpreted as a change in the stance of monetary policy. The BoE revised higher its GDP forecast for this year to 7.25% from 5% also. There was some volatility in sterling around the announcement. However, the currency settled within its recent ranges thereafter.

Data-wise, initial jobless claims continued to trend lower in the US. Initial claims printed below 500K for the first time since the pandemic began. In the Eurozone, retail sales rose by 2.7% (vs. 1.5% f'cast) in March as restrictions were eased in many countries.

In level terms, the slightly firmer tone to the euro is reflected by EUR/USD opening this morning at the midpoint of \$1.20-1.21. EUR/GBP is changing hands in the top half of 86-87p. Meanwhile Cable (GBP/USD) remains near to the \$1.39 mark.

Turning to the day ahead, the highlight will be the US Labour Market Report for April. Payrolls are forecast to rise by close to 1m as the US labour market recovery gathers momentum. The jobless rate is expected to edge lower to 5.8% from 6% also. However, barring any major surprise, the data may not impact the dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2054	0.45	-1.30
EUR/GBP	0.8671	0.43	-2.98
GBP/USD	1.3896	-0.01	1.63
GBP/EUR	1.1527	-0.43	3.07
USD/JPY	109.16	-0.20	5.73
EUR/JPY	131.57	0.22	4.29

* 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	0.18	0.29	0.91
EUR	0.00	-0.55	-0.53	-0.51	-0.48	-0.27
GBP	0.10	0.05	0.08	0.13	0.31	0.68

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

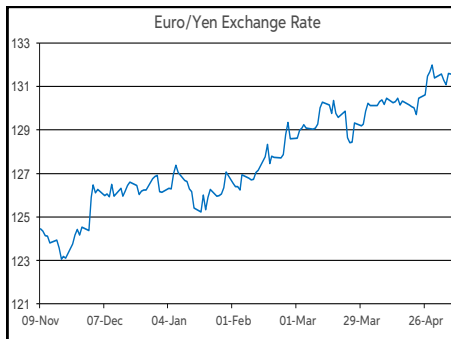
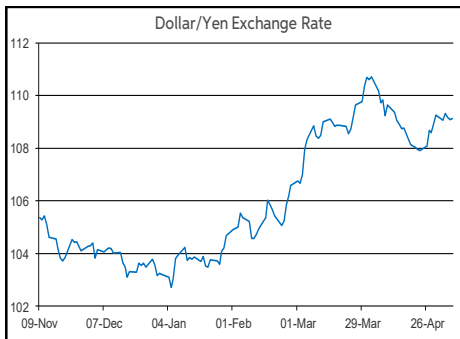
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

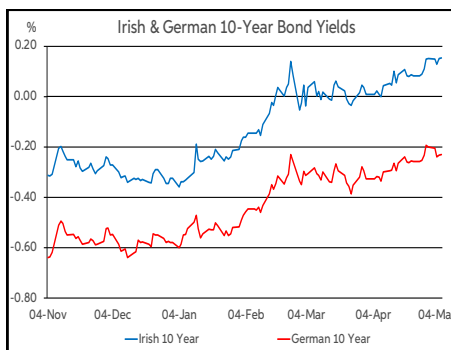
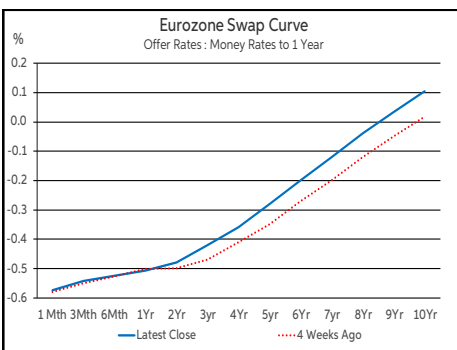
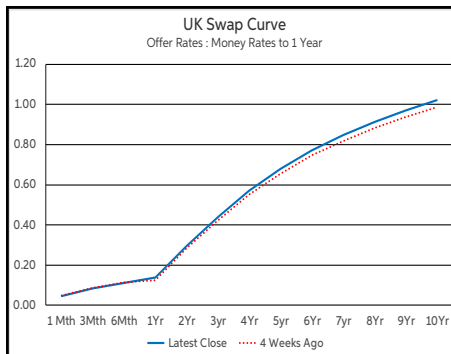
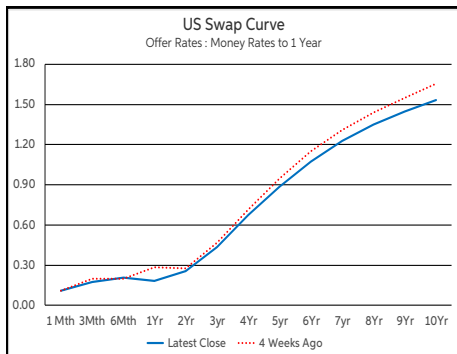
Friday 07 May 2021
07:34 am



Euro		Sterling		Dollar	
EUR/GBP	0.8671	GBP/EUR	1.1527	USD/JPY	109.16
EUR/USD	1.2054	GBP/USD	1.3896	USD/CAD	1.2171
EUR/JPY	131.57	GBP/CAD	1.6913	USD/CHF	0.9078
EUR/SEK	10.1625	GBP/NZD	1.9245	USD/CNY	6.4628
EUR/DKK	7.4359	GBP/JPY	151.69	USD/BRL	5.2765
EUR/NOK	10.0176	GBP/SEK	11.711	USD/RUB	74.2725
EUR/CHF	1.0943	GBP/DKK	8.5722	USD/INR	73.733
EUR/AUD	1.5524	GBP/NOK	11.5443	AUD/USD	0.7761
EUR/HKD	9.3615	GBP/CHF	1.2617	NZD/USD	0.7219
EUR/CAD	1.4668	GBP/AUD	1.7899		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.57	-0	-6	+65
Germany	-0.23	+0	+10	+35
UK	0.80	-2	+5	+60
5 Year Swap %				
US	0.89	+2	-6	+46
Eurozone	-0.28	+1	+8	+18
UK	0.68	-3	+3	+49
2 Year Swap %				
US	0.26	-1	-1	+6
Eurozone	-0.48	-0	+3	+5
UK	0.30	-2	+2	+27
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	+0	+5	+15
Belgium	36	+1	+3	+17
France	38	+1	+12	+14
Italy	110	+2	+10	+1
Spain	69	+1	+2	+6
Portugal	70	+0	+13	+7
Greece	120	-0	+4	-0



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	68.09	-1.26	+7.74	+31.45
West Texas Oil	64.73	-1.37	+8.59	+33.88
Gold \$	1815.2	+1.61	+3.37	-4.29

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.