

Narrow FX Trading

There was a more upbeat mood on equity markets yesterday, following some sharp declines earlier in the week. Although the Euro Stoxx 50 finished flat for the day, at the close on Wall Street last night, the S&P 500 was up 1.2%. On the currency front, a relatively sparse data calendar contributed to rather lacklustre action on exchanges, with the main pairs remaining range bound throughout the day.

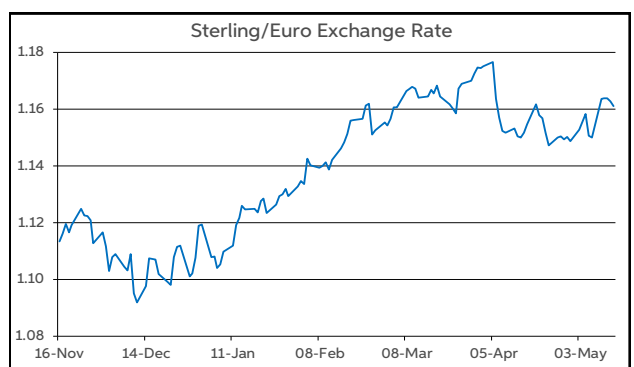
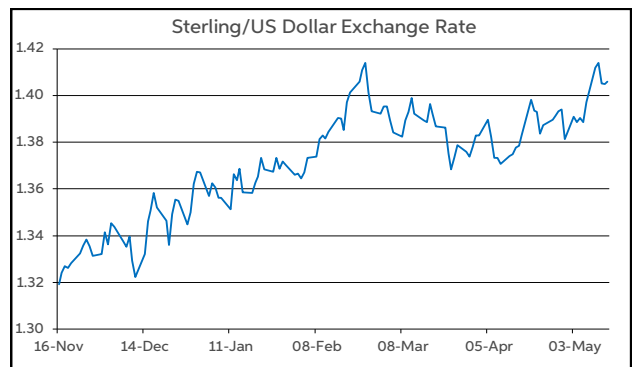
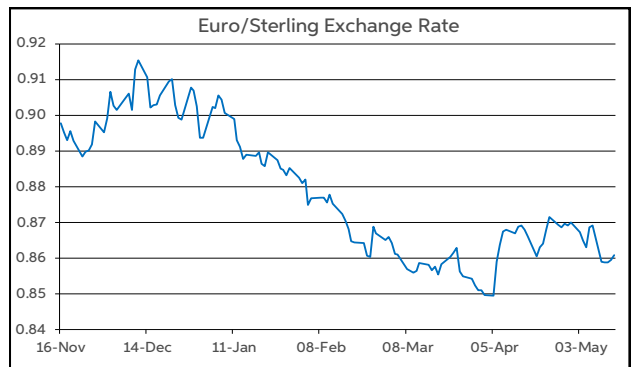
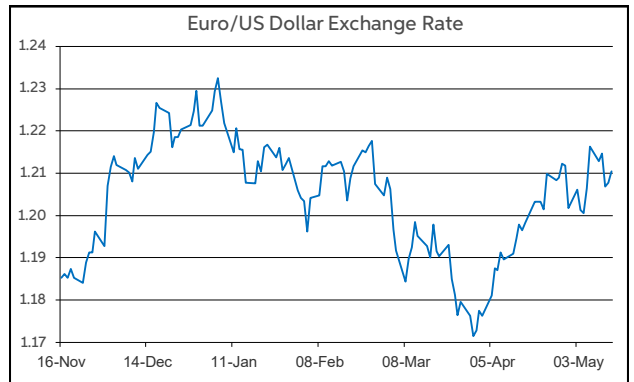
Of the limited data releases to note yesterday, initial jobless claims in the US remained on their recent downward trend. Initial claims fell to 473k from 498k (vs. 490k forecast) as conditions in the labour market continue to improve. However, the release did not impact the dollar.

In level terms, the relatively limited moves on currency markets is reflected in EUR/USD starting today at the \$1.21 handle. Cable (GBP/USD) is also little changed from 24 hours ago, and is trading at the midpoint of \$1.40-1.41. Meanwhile, EUR/GBP continues to change hands around the 86p mark.

There is a busy data schedule in the US today. In terms of hard data, retail sales, which are 17.1% above their pre-pandemic level already, having soared by 9.7% in March, are forecast to increase by 1% in April. Industrial production is also expected to move higher by 1% in the month. However, this would still leave output 2.4% below its pre-Covid level.

Meanwhile, the University of Michigan measure of US consumer sentiment is projected to rise to 90.4 from 88.3 in May. Barring any major surprises though, the data may not affect the dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2105	0.22	-0.88
EUR/GBP	0.861	0.28	-3.66
GBP/USD	1.4059	-0.05	2.82
GBP/EUR	1.161	-0.28	3.80
USD/JPY	109.41	-0.25	5.98
EUR/JPY	132.46	-0.02	4.99

* 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	0.10	0.15	0.17	0.27	0.92
EUR	0.00	-0.55	-0.54	-0.50	-0.46	-0.22
GBP	0.10	0.05	0.08	0.14	0.33	0.75

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

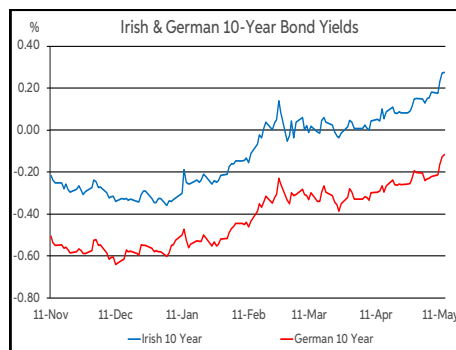
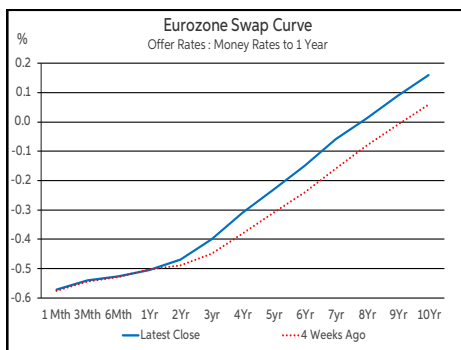
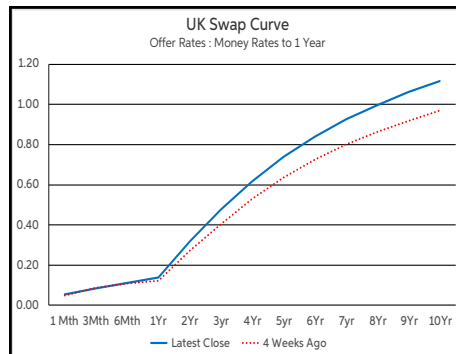
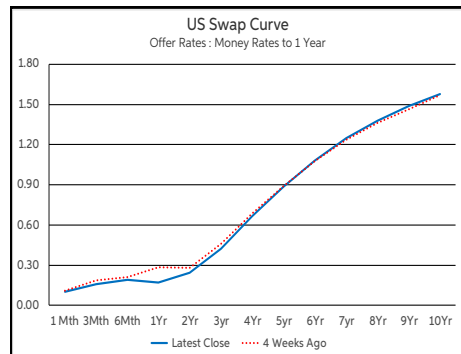
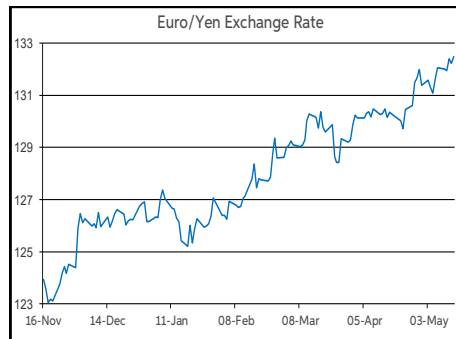
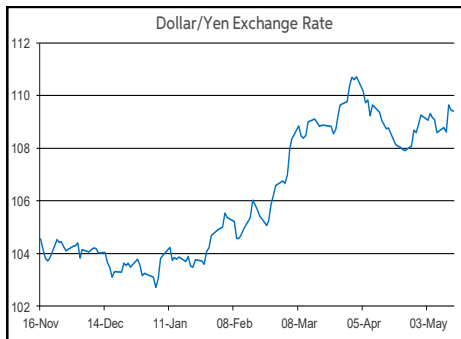
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Friday 14 May 2021
07:35 am



Euro		Sterling		Dollar	
EUR/GBP	0.861	GBP/EUR	1.161	USD/JPY	109.41
EUR/USD	1.2105	GBP/USD	1.4059	USD/CAD	1.2157
EUR/JPY	132.46	GBP/CAD	1.7093	USD/CHF	0.9039
EUR/SEK	10.1492	GBP/NZD	1.9555	USD/CNY	6.4338
EUR/DKK	7.436	GBP/JPY	153.82	USD/BRL	5.3079
EUR/NOK	10.0835	GBP/SEK	11.7862	USD/RUB	73.864
EUR/CHF	1.0944	GBP/DKK	8.634	USD/INR	73.333
EUR/AUD	1.5634	GBP/NOK	11.7075	AUD/USD	0.774
EUR/HKD	9.4012	GBP/CHF	1.271	NZD/USD	0.7188
EUR/CAD	1.4718	GBP/AUD	1.8159		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.66	-3	+8	+74
Germany	-0.11	+1	+18	+46
UK	0.90	+1	+16	+70
Ireland	0.31	+0	+22	+61
Belgium	0.24	+0	+21	+63
France	0.27	+1	+31	+61
Italy	1.02	+3	+29	+50
Spain	0.59	+2	+21	+54
Portugal	0.60	+2	+21	+54
Greece	1.07	+4	+16	+44
5 Year Swap %				
US	0.89	-4	-0	+46
Eurozone	-0.23	-1	+9	+23
UK	0.74	+0	+11	+55
2 Year Swap %				
US	0.24	-1	-3	+5
Eurozone	-0.47	-0	+3	+6
UK	0.32	+0	+6	+29
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	-1	+4	+15
Belgium	36	-1	+3	+16
France	38	-1	+13	+15
Italy	113	+2	+11	+3
Spain	70	+1	+3	+7
Portugal	71	+1	+3	+8
Greece	118	+3	-2	-2

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	67.05	-3.27	+0.16	+29.44
West Texas Oil	63.82	-3.24	+0.63	+32.00
Gold \$	1826.6	+0.61	+3.59	-3.69

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.