

Busy UK data schedule ahead

Financial markets were generally risk averse last week. The S&P 500 recorded its sixth weekly loss in-a-row, falling by over 2%. This is its worst run of weekly losses since 2002. The “risk-off” mood was caused by concerns that central banks will continue tightening policy in the second half of the year, when growth is already expected to be slowing, increasing the risk of a recession.

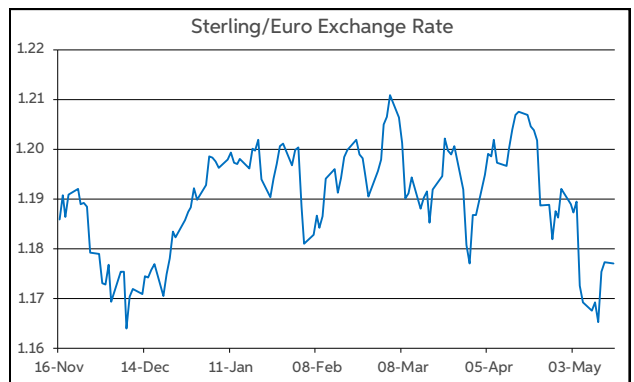
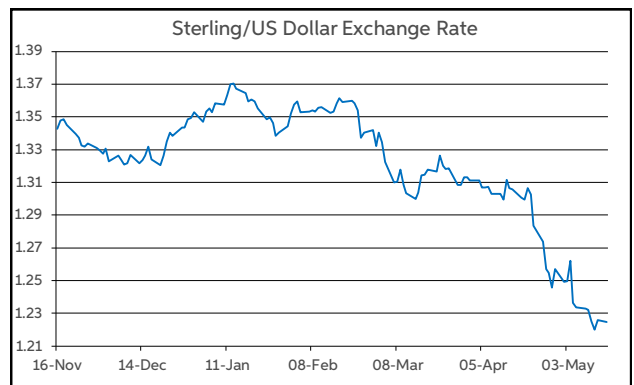
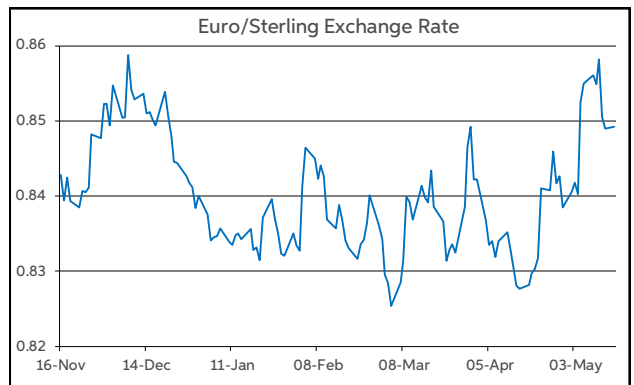
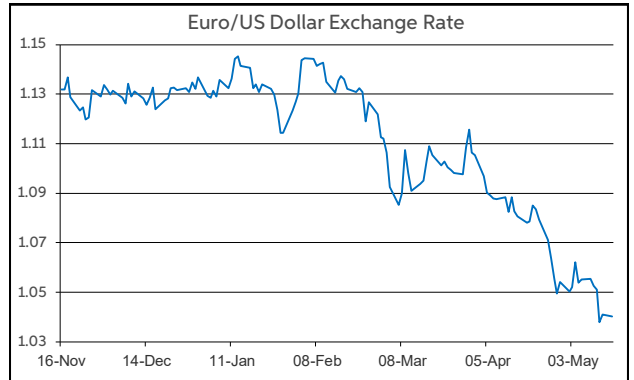
On bond markets, benchmark sovereign bond yields declined across the board amid the risk averse tone. Meanwhile, on currency markets, the dollar remained in the ascendancy. EUR/USD tested below the key \$1.04 support level, trading to a low of \$1.035. Elsewhere, the yen regained some support as traders sought the protection from traditional safe haven assets.

As trading gets underway this morning, EUR/USD continues to operate at the \$1.04 threshold. Meanwhile, EUR/GBP opens just below the 85p mark. GBP/USD is changing hands near the midpoint of the \$1.21-1.22 range. USD/JPY is trading back under the ¥129 handle.

Turning to week ahead, there is a busy UK data schedule. The latest inflation, retail sales (April) and consumer confidence (May) prints are due. A slew of labour market data will also feature. Meanwhile, concerns over UK-EU tensions in relation to the NI Protocol may be a point of focus for sterling watchers.

In the US, retail sales and industrial production (April) are the main highlights. There is a quieter look to the Eurozone calendar, which sees the release of the Q1 employment report and flash consumer confidence (May). A plethora of central bank speakers through the week, will also be under the market spotlight.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0402	0.06	-8.50
EUR/GBP	0.8495	-0.12	1.13
GBP/USD	1.2241	0.16	-9.52
GBP/EUR	1.1767	0.12	-1.12
USD/JPY	128.96	0.02	12.06
EUR/JPY	134.14	0.05	2.50

* 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	0.875	0.89	1.44	2.48	2.88	2.91
EUR	0.00	-0.55	-0.40	0.22	0.81	1.32
GBP	1.00	0.97	1.26	2.01	2.33	2.24

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

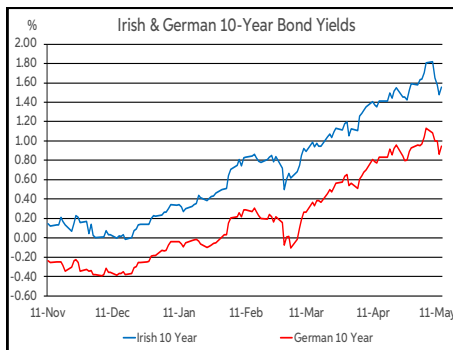
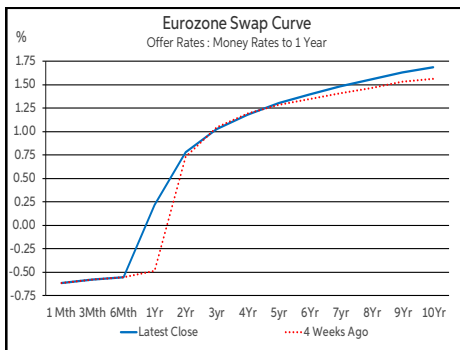
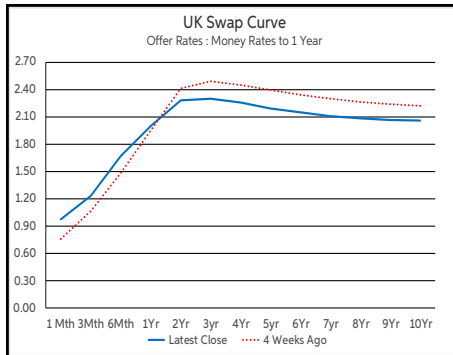
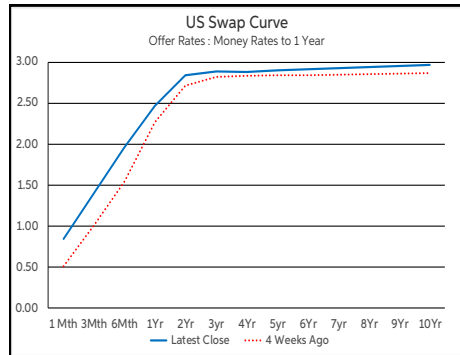
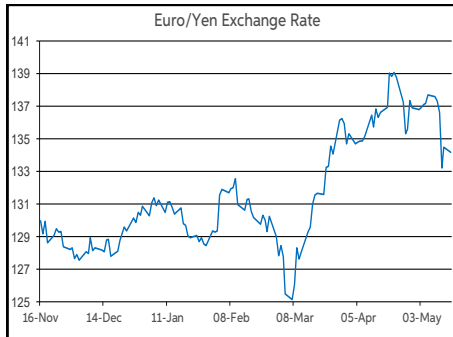
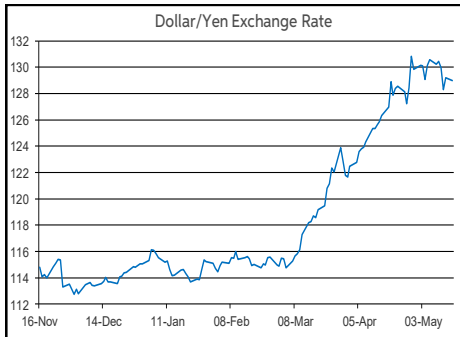
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Monday 16 May 2022
07:04 am



Euro		Sterling		Dollar	
EUR/GBP	0.8495	GBP/EUR	1.1767	USD/JPY	128.96
EUR/USD	1.0402	GBP/USD	1.2241	USD/CAD	1.2965
EUR/JPY	134.14	GBP/CAD	1.5871	USD/CHF	1.0024
EUR/SEK	10.4835	GBP/NZD	1.9615	USD/CNY	6.7912
EUR/DKK	7.4404	GBP/JPY	157.86	USD/BRL	5.0606
EUR/NOK	10.1879	GBP/SEK	12.3388	USD/RUB	60.516
EUR/CHF	1.043	GBP/DKK	8.7557	USD/INR	77.721
EUR/AUD	1.5099	GBP/NOK	11.9898	AUD/USD	0.6886
EUR/HKD	8.1644	GBP/CHF	1.2274	NZD/USD	0.6239
EUR/CAD	1.3485	GBP/AUD	1.7774		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.93	+7	+10	+142
Germany	0.95	+8	+11	+113
UK	1.74	+7	-15	+77
5 Year Swap %				
US	2.90	+5	+10	+157
Eurozone	1.30	+3	+4	+129
UK	2.19	+2	-19	+92
2 Year Swap %				
US	2.84	+3	+17	+190
Eurozone	0.78	+2	+7	+108
UK	2.29	+3	-12	+109
10 Year Government Bond Spreads to Benchmark bps				
Ireland	66	+0	+6	+23
Belgium	58	+1	+5	+22
France	51	+0	+1	+14
Italy	190	+5	+24	+54
Spain	105	+2	+9	+28
Portugal	113	+4	+11	+47
Greece	252	+2	+47	+102

Commodities				
	Close	% Change		
		Day	4 Weeks	End 21
Brent Oil	111.55	+3.82	-0.13	+43.42
West Texas Oil	110.52	+4.12	+3.44	+46.71
Gold \$	1811.2	-0.58	-8.27	-0.94

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