

Muted start to the week

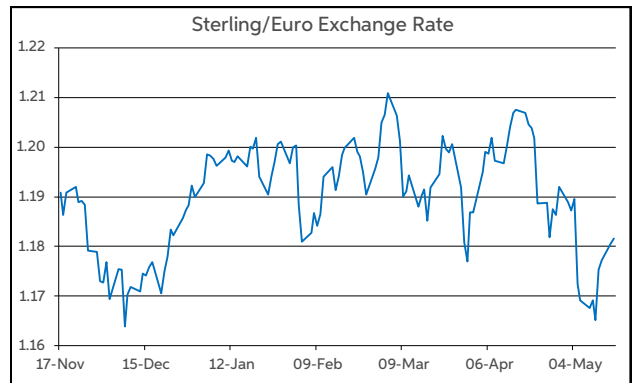
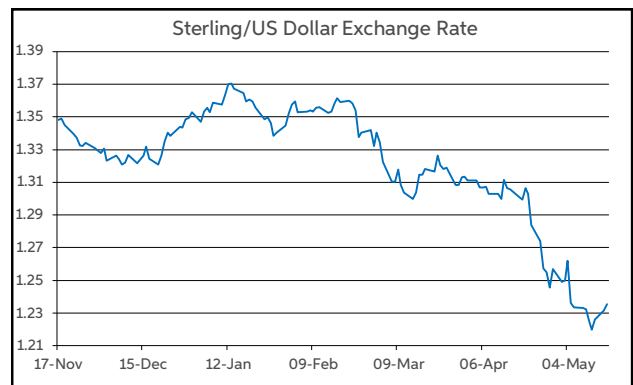
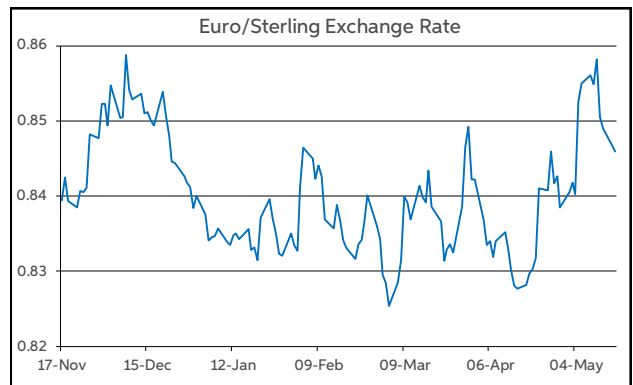
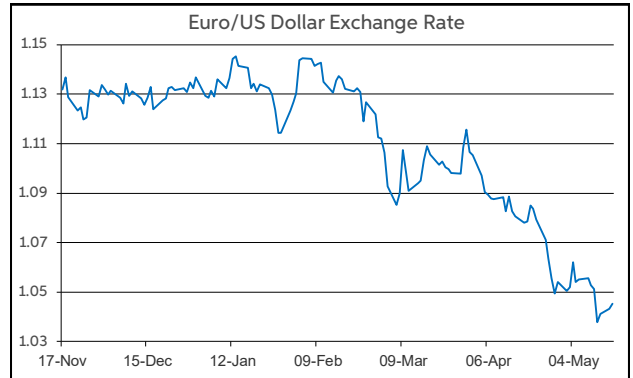
There was a muted start to the week on financial markets yesterday. A quiet data calendar meant there was minimal macro newsflow for markets to digest. Indeed, the only release of any note on either side of the Atlantic was the NY Fed Empire survey of manufacturing for May. The headline number missed significantly to the downside of forecasts. However, as expected it did not generate much of a market reaction.

Overall, investor sentiment was in a cautious mood yesterday. This was reflected in the main equity indices posting losses on the day. At the close on Wall Street last night, the S&P 500 was 0.4% lower. Meanwhile, the action on bond markets was subdued. Most of the main sovereign benchmark yields were only 1-4bps changed on the day.

On the currency front, sterling has been holding a firmer tone, while the dollar has been slightly softer over the past 24 hours. There is no obvious factor for either moves. In level terms, the gains for sterling see EUR/GBP trading at the midpoint of 84-85p, while GBP/USD has managed to regain some ground up in \$1.23 territory. Elsewhere, the EUR/USD pair has edged up towards the halfway mark of the \$1.04-1.05 trading band.

There is a busier macro schedule today. Already this morning we have had a raft of UK labour market data for Q1. This included the unemployment rate falling unexpectedly to 3.7% (from 3.8%) and headline earnings printing well ahead of forecast. Later this afternoon, we get US retail sales and industrial production figures for April. In terms of the central bank diary, ECB President Lagarde is on the speaking circuit. Meanwhile, the UK government is due to outline plans to amend its post-Brexit trade deal.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0455	0.55	-8.03
EUR/GBP	0.8459	-0.42	0.70
GBP/USD	1.2353	0.94	-8.69
GBP/EUR	1.1812	0.43	-0.70
USD/JPY	129.29	0.22	12.35
EUR/JPY	135.17	0.75	3.29

* 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	0.875	0.94	1.46	2.51	2.90	2.91
EUR	0.00	-0.55	-0.40	0.26	0.85	1.37
GBP	1.00	0.97	1.28	2.04	2.33	2.24

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

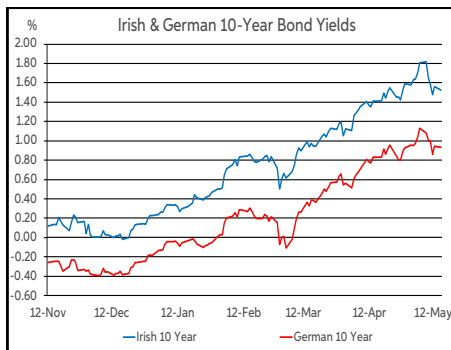
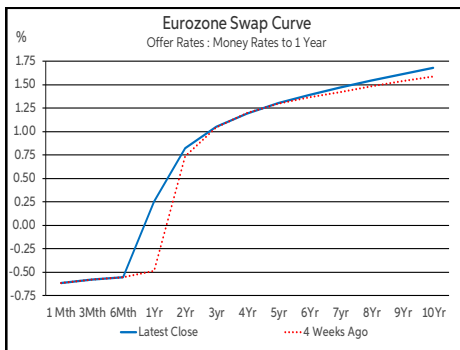
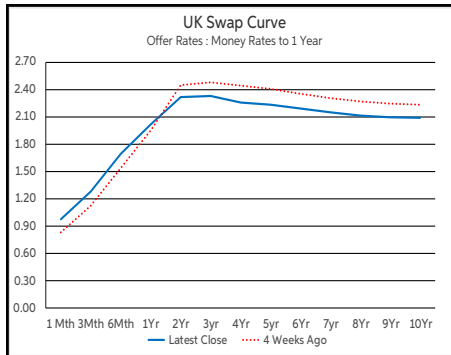
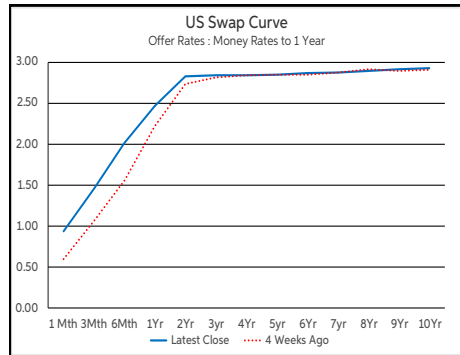
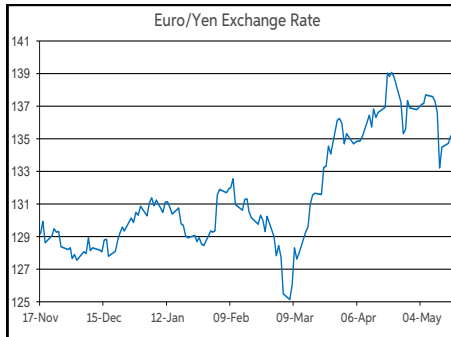
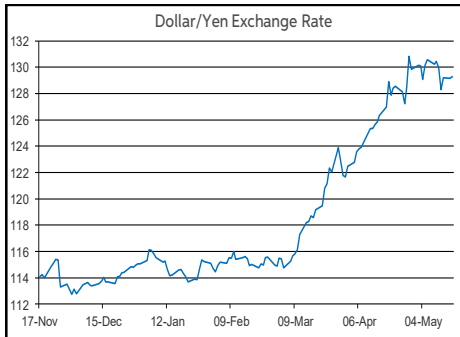
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
---------	---	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

Opening Levels

Tuesday 17 May 2022
07:22 am



Euro		Sterling		Dollar	
EUR/GBP	0.846	GBP/EUR	1.1814	USD/JPY	129.29
EUR/USD	1.0454	GBP/USD	1.2355	USD/CAD	1.2816
EUR/JPY	135.18	GBP/CAD	1.5838	USD/CHF	1.0009
EUR/SEK	10.4665	GBP/NZD	1.9498	USD/CNY	6.7655
EUR/DKK	7.4417	GBP/JPY	159.74	USD/BRL	5.0606
EUR/NOK	10.155	GBP/SEK	12.3672	USD/RUB	63.907
EUR/CHF	1.0466	GBP/DKK	8.7934	USD/INR	77.653
EUR/AUD	1.4916	GBP/NOK	11.998	AUD/USD	0.7008
EUR/HKD	8.2071	GBP/CHF	1.2368	NZD/USD	0.6335
EUR/CAD	1.34	GBP/AUD	1.7629		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.89	-4	+3	+137
Germany	0.94	-1	+10	+112
UK	1.73	-1	-16	+76
5 Year Swap %				
US	2.85	-3	+4	+151
Eurozone	1.30	-1	+4	+129
UK	2.24	+2	-12	+96
2 Year Swap %				
US	2.83	-3	+13	+188
Eurozone	0.82	+3	+12	+112
UK	2.32	+3	-9	+113
10 Year Government Bond Spreads to Benchmark bps				
Ireland	63	-3	+3	+20
Belgium	58	+1	+6	+23
France	51	+0	+1	+14
Italy	190	+0	+24	+54
Spain	107	+2	+11	+29
Portugal	113	+0	+12	+47
Greece	262	+11	+58	+113

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	114.24	+2.41	+0.95	+46.88
West Texas Oil	114.07	+3.21	+5.39	+51.43
Gold \$	1823.8	+0.70	-7.82	-0.25

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.