

EUR/USD back below \$1.22

Investor sentiment remained subdued yesterday, with equity markets both sides of the Atlantic continuing to move lower. In the US, the S&P 500 lost 0.3%, while in Europe, the Euro Stoxx 50 shed 1.7%. Both indices have closed lower every day so far this week.

Once again, a sparse data schedule contributed to muted action on currency markets throughout the European session, with the main pairs remaining in narrow ranges. Overnight though, the dollar strengthened against the euro and sterling. The move coincided with the release of the latest FOMC meeting minutes.

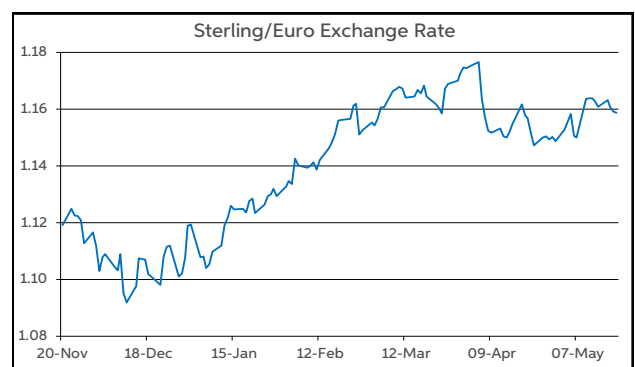
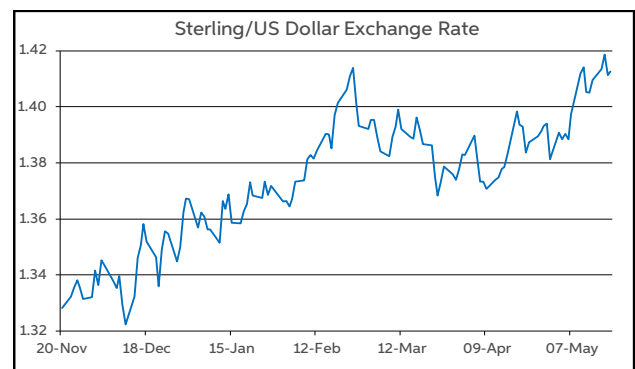
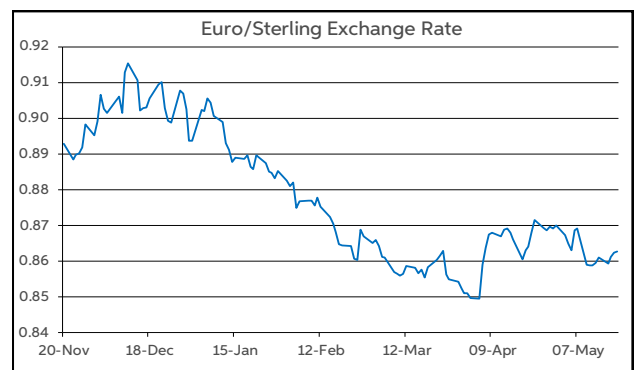
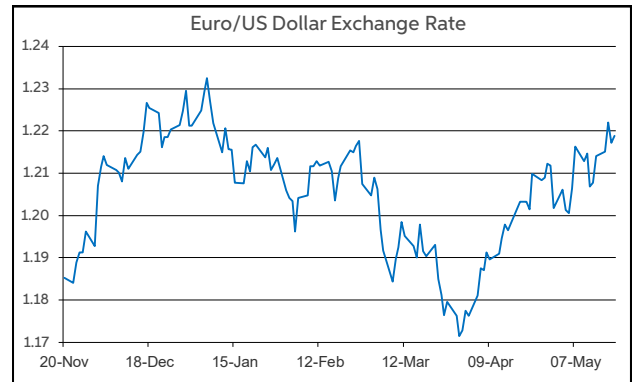
The minutes showed that the Fed has become more optimistic regarding the outlook for growth. They also highlighted that “some” FOMC members may want to start discussing a plan for tapering in the “upcoming meetings”.

Elsewhere, in terms of monetary policy, the ECB released its bi-annual Financial Stability Review. The report highlighted that, “The buoyancy of financial markets has stood in contrast to weaker economic fundamentals”. Overall though, the ECB is upbeat about the economic outlook too. The release did not impact the euro.

The slightly firmer dollar tone is reflected in EUR/USD opening this morning back below the \$1.22 mark. GBP/USD starts today in the bottom half of the \$1.41-1.42 range. Meantime, EUR/GBP is just above 86p, little changed from 24 hours ago.

Data-wise, initial jobless claims in the US are the main release today. Claims are expected to fall to 450k from 473k, as labour market conditions continue to improve. Barring any major surprises though, the release is unlikely to affect currency markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2193	-0.31	-0.16
EUR/GBP	0.8627	0.09	-3.47
GBP/USD	1.4129	-0.39	3.34
GBP/EUR	1.1586	-0.09	3.59
USD/JPY	109.09	0.12	5.67
EUR/JPY	133.01	-0.19	5.43

* 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	0.16	0.16	0.28	0.94
EUR	0.00	-0.56	-0.55	-0.52	-0.44	-0.18
GBP	0.10	0.05	0.09	0.13	0.31	0.70

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

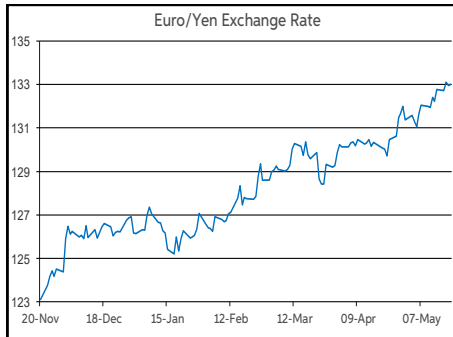
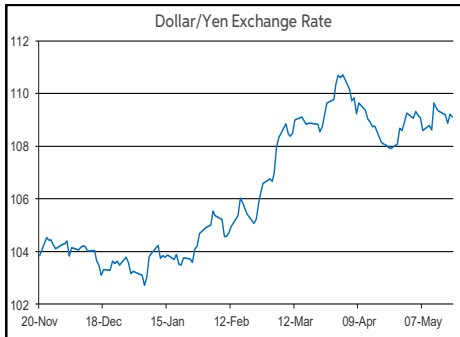
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

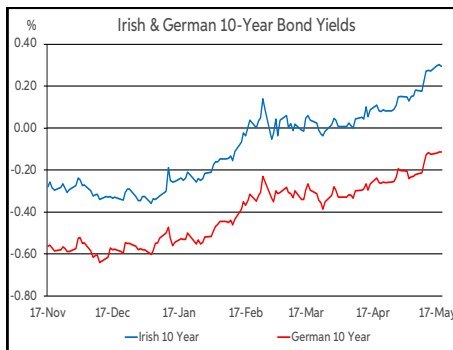
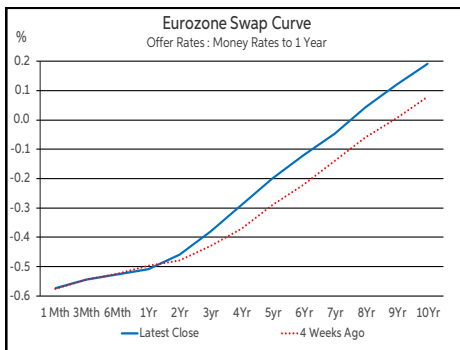
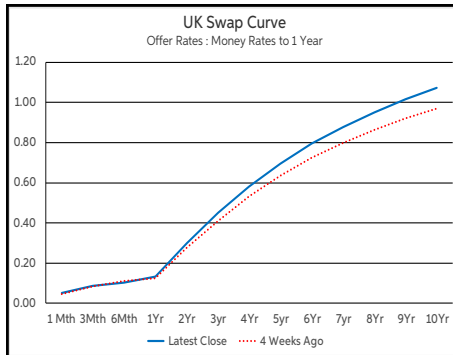
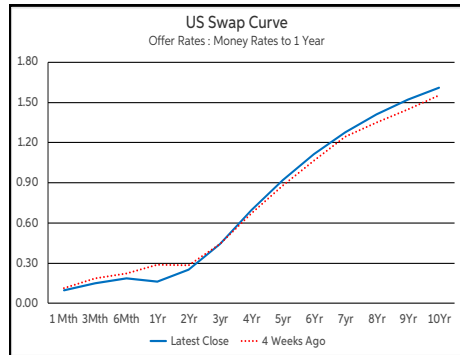
Thursday 20 May 2021
07:33 am



Euro		Sterling		Dollar	
EUR/GBP	0.8627	GBP/EUR	1.1588	USD/JPY	109.09
EUR/USD	1.2193	GBP/USD	1.4129	USD/CAD	1.2103
EUR/JPY	133.01	GBP/CAD	1.7103	USD/CHF	0.9035
EUR/SEK	10.158	GBP/NZD	1.9651	USD/CNY	6.4383
EUR/DKK	7.4357	GBP/JPY	154.14	USD/BRL	5.3095
EUR/NOK	10.095	GBP/SEK	11.7726	USD/RUB	73.704
EUR/CHF	1.1018	GBP/DKK	8.6149	USD/INR	73.1125
EUR/AUD	1.5721	GBP/NOK	11.7002	AUD/USD	0.7755
EUR/HKD	9.4662	GBP/CHF	1.2767	NZD/USD	0.7188
EUR/CAD	1.4759	GBP/AUD	1.8217		



Debt Markets				
	Close	Day	4 Weeks	End 20
10 Year Yield %				
US	1.68	+4	+12	+76
Germany	-0.11	+0	+15	+47
UK	0.85	-2	+11	+65
Ireland	0.33	-1	+22	+63
Belgium	0.26	-1	+21	+64
France	0.28	-2	+30	+62
Italy	1.12	+1	+36	+60
Spain	0.61	+0	+22	+56
Portugal	0.62	+1	+22	+56
Greece	1.08	+0	+18	+45
5 Year Swap %				
US	0.92	+3	+4	+50
Eurozone	-0.20	+1	+10	+26
UK	0.70	-1	+7	+51
2 Year Swap %				
US	0.25	+2	-0	+6
Eurozone	-0.46	+0	+3	+7
UK	0.30	-1	+3	+27
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	-1	+7	+17
Belgium	37	-1	+6	+18
France	39	-2	+15	+16
Italy	123	+1	+21	+13
Spain	72	+0	+7	+9
Portugal	73	+1	+7	+9
Greece	119	+0	+3	-1



Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	66.66	-2.98	+2.05	+28.69
West Texas Oil	63.28	-3.37	+3.16	+30.88
Gold \$	1869.6	+0.07	+4.24	-1.42

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