

Flash PMIs due today

There was a more upbeat mood to investor sentiment yesterday, as equity markets both sides of the Atlantic halted their recent slide. The S&P 500 was up 1.1%, while the Euro Stoxx 50 registered a 1.6% gain. On bond markets, the 10 Year US Treasury yield moved 5bps lower, while in Europe spreads narrowed by 2-6bps. Currency-wise, the dollar handed back its recent small gains against the euro and sterling.

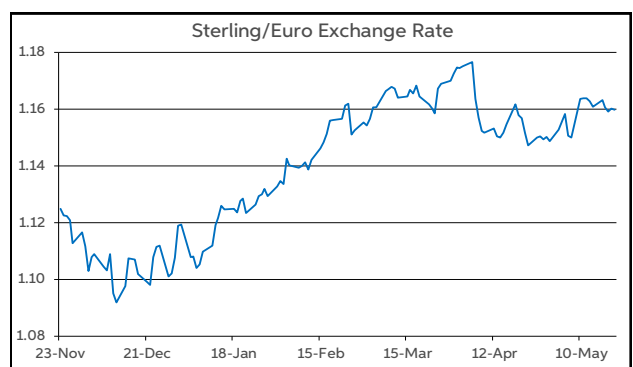
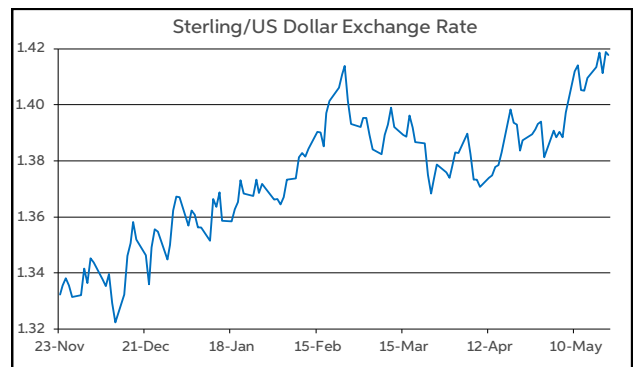
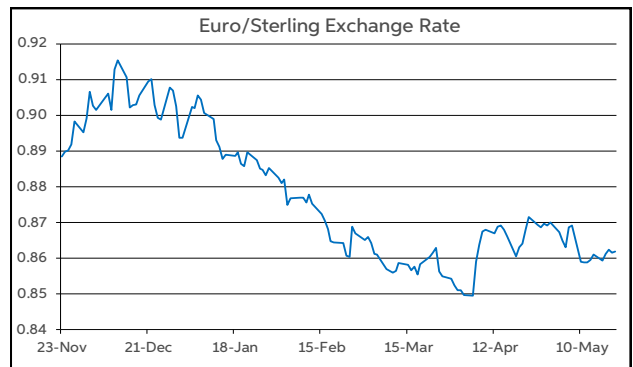
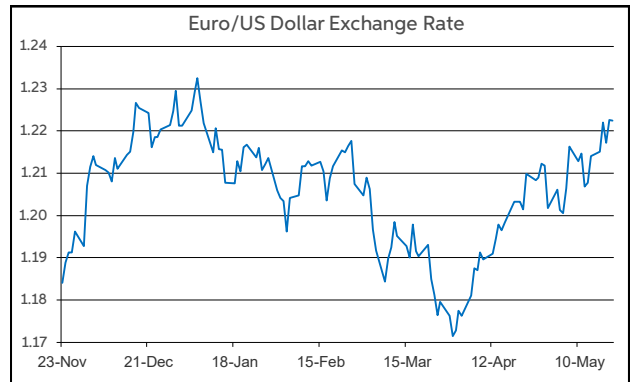
Data-wise, initial jobless claims in the US printed at 444k, below the consensus of 450k. A clear downward trend has formed over recent weeks, suggesting that labour market conditions are improving. Elsewhere, the regional Philly Fed index fell to 31.5 from an elevated level of 50.2, and was well below the forecast 41.5. However, neither release effected the dollar.

In level terms, the slight dollar weakness is evidenced by EUR/USD opening this morning back above the \$1.22 threshold. Likewise, GBP/USD has moved into the top half of \$1.41-1.42. Meanwhile, EUR/GBP continues to change hands just above the 86p mark.

Already this morning, UK retail sales have come in well ahead of expectations, rising by 9.2% in April (vs. 4.5% f'cast), leaving sales 10.6% above their pre-Covid level. Consumer confidence for May has also beat the consensus, rising to -9 from -15 (vs. -12 f'cast) as sentiment improves amid the re-opening of the UK economy.

Ahead today, the US, UK and Eurozone flash PMI's for May are all due. They are forecast to highlight a continued strong rise in economic activity in the US and UK, and an improving level of activity in the Eurozone. Eurozone consumer confidence (May) and US existing home sales (April) will also be released.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2223	0.35	0.08
EUR/GBP	0.8621	-0.08	-3.54
GBP/USD	1.4178	0.46	3.69
GBP/EUR	1.1598	0.08	3.67
USD/JPY	108.78	-0.35	5.37
EUR/JPY	132.96	0.00	5.39

* 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	0.16	0.25	0.90
EUR	0.00	-0.56	-0.55	-0.50	-0.45	-0.20
GBP	0.10	0.05	0.08	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

Friday 21 May 2021
07:40 am



Euro

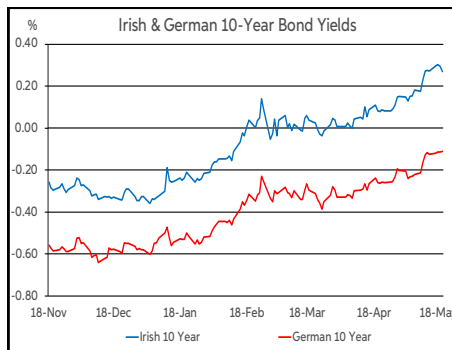
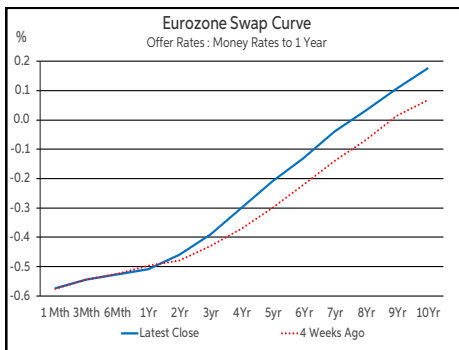
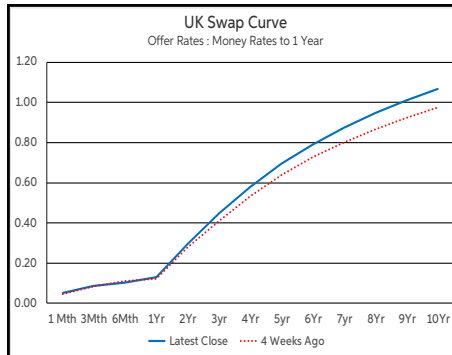
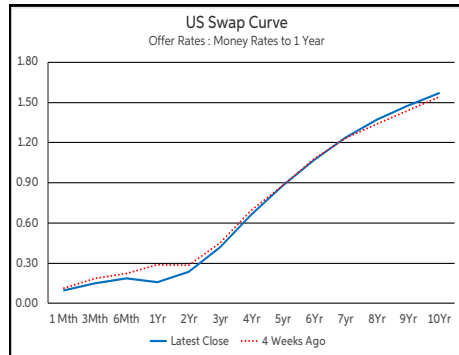
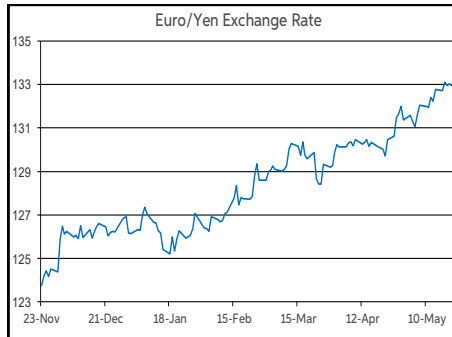
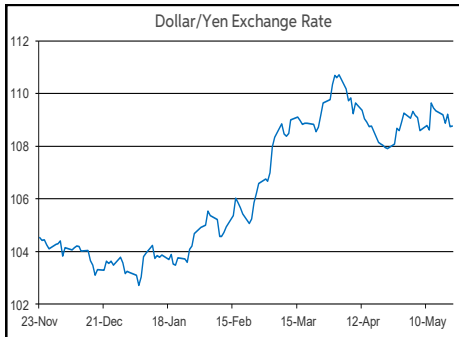
EUR/GBP	0.862
EUR/USD	1.2222
EUR/JPY	132.97
EUR/SEK	10.1591
EUR/DKK	7.4362
EUR/NOK	10.1659
EUR/CHF	1.0962
EUR/AUD	1.5787
EUR/HKD	9.4884
EUR/CAD	1.4761

Sterling

GBP/EUR	1.1595
GBP/USD	1.4176
GBP/CAD	1.7129
GBP/NZD	1.9747
GBP/JPY	154.21
GBP/SEK	11.7823
GBP/DKK	8.6237
GBP/NOK	11.7877
GBP/CHF	1.2713
GBP/AUD	1.8311

Dollar

USD/JPY	108.78
USD/CAD	1.208
USD/CHF	0.8966
USD/CNY	6.4345
USD/BRL	5.2823
USD/RUB	73.57
USD/INR	73.02
AUD/USD	0.774
NZD/USD	0.7177



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.63	-5	+9	+71
Germany	-0.11	+0	+15	+47
UK	0.84	-1	+10	+64
5 Year Swap %				
US	0.88	-5	+0	+46
Eurozone	-0.21	-1	+10	+25
UK	0.69	-0	+6	+50
2 Year Swap %				
US	0.24	-2	-2	+4
Eurozone	-0.46	+0	+3	+7
UK	0.30	-0	+3	+27
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	-3	+3	+14
Belgium	35	-2	+3	+16
France	37	-2	+12	+14
Italy	116	-6	+15	+7
Spain	68	-4	+3	+5
Portugal	69	-4	+3	+5
Greece	114	-5	-1	-6

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	65.11	-2.33	-0.44	+25.69
West Texas Oil	61.95	-2.10	+0.81	+28.13
Gold \$	1876.7	+0.38	+5.20	-1.04

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