

## FX action remains confined

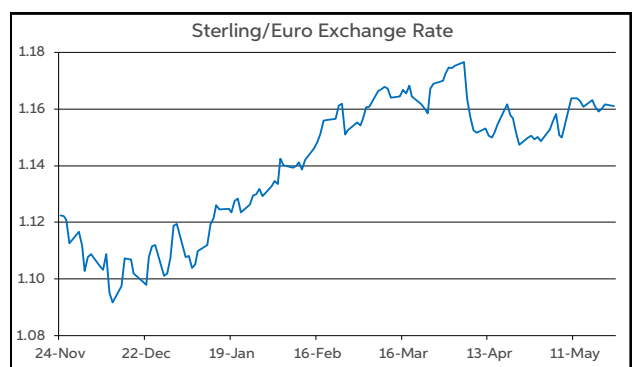
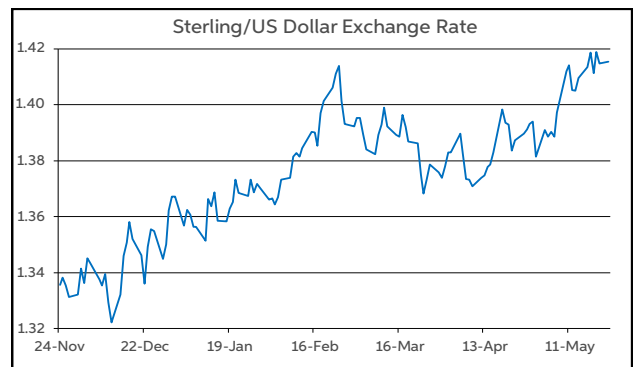
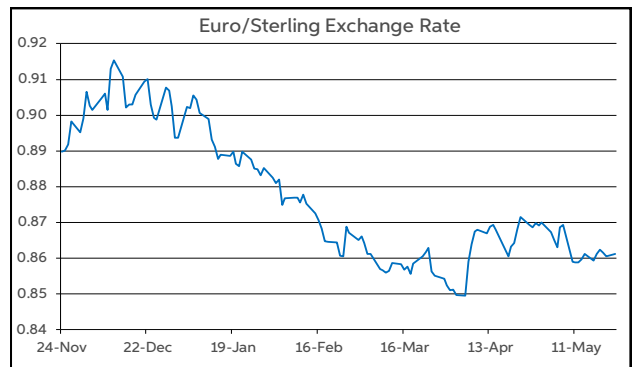
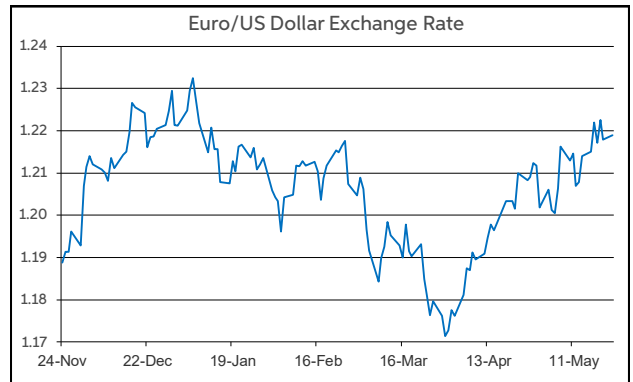
The action on currency markets last week remained confined to fairly tight ranges. The dollar found itself on the defensive for much of the week. It did get some upward support following the release of the Fed April meeting minutes on Wednesday. However, this proved short lived, with both the euro and sterling registering gains, albeit relatively modest in nature, against the dollar over the course of the week.

Data-wise, the main releases from last week were the flash reading of the PMIs for May. The survey results from the UK, US and Eurozone indicate that these economies are on a very strong upward trajectory as they move through Q2, amid an easing in Covid-19 restrictions. The data though, had no major impact on their respective currencies.

So as trading gets underway this morning, the softer dollar tone is reflected in EUR/USD up near to \$1.22, having trading traded as high as \$1.224 last week. Meanwhile, GBP/USD is changing hands at the midpoint of \$1.41-1.42. Elsewhere, the EUR/GBP pair continues to operate in a very tight range around the 86p level.

Looking ahead to this week's macro highlights, inflation will remain in the spotlight, with the release of the Fed's preferred measure, core PCE for April. In the Eurozone, the calendar is packed full of May survey releases, including the German Ifo and the EC sentiment indices. Meantime, the UK diary is very sparse after last week's plethora of releases. Overall, from a currency perspective, the main pairs could remain quite range bound, with economic activity strengthening everywhere (as evidenced by May PMI numbers) and central banks maintaining an accommodative policy stance.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2189	-0.34	-0.20
EUR/GBP	0.8609	-0.17	-3.67
GBP/USD	1.4155	-0.18	3.53
GBP/EUR	1.161	0.17	3.81
USD/JPY	108.74	-0.03	5.33
EUR/JPY	132.54	-0.38	5.06

\* 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	0.09	0.15	0.16	0.27	0.92
EUR	0.00	-0.56	-0.54	-0.50	-0.46	-0.23
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

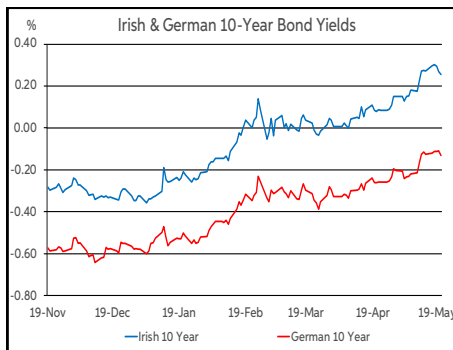
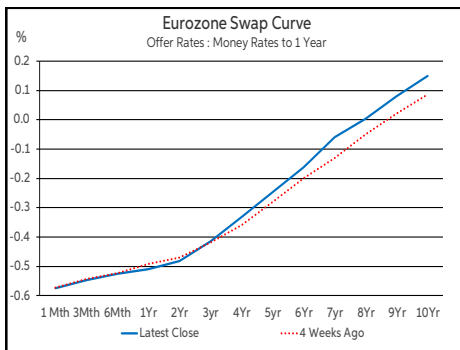
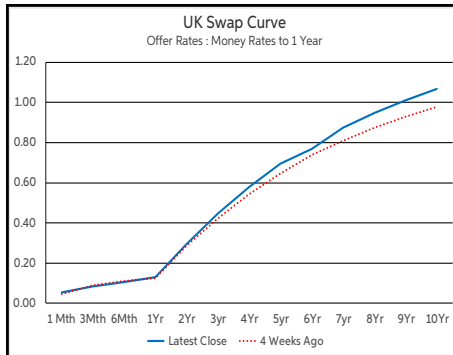
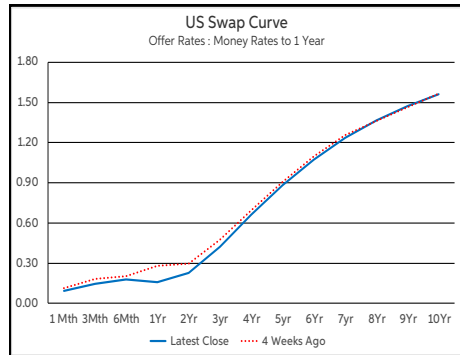
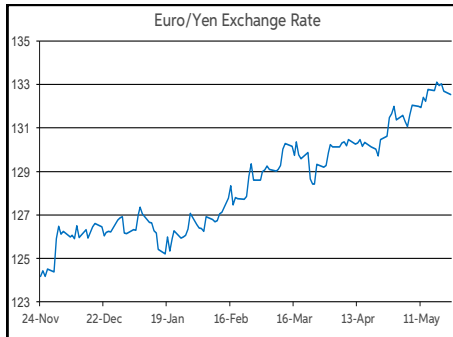
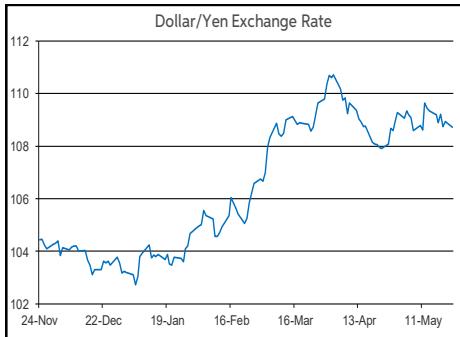
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# Opening Levels

Monday 24 May 2021  
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8609	GBP/EUR	1.161	USD/JPY	108.74
EUR/USD	1.2189	GBP/USD	1.4155	USD/CAD	1.2067
EUR/JPY	132.54	GBP/CAD	1.7081	USD/CHF	0.8975
EUR/SEK	10.1315	GBP/NZD	1.9728	USD/CNY	6.4338
EUR/DKK	7.4364	GBP/JPY	153.92	USD/BRL	5.3617
EUR/NOK	10.1933	GBP/SEK	11.7621	USD/RUB	73.567
EUR/CHF	1.0941	GBP/DKK	8.6351	USD/INR	72.888
EUR/AUD	1.575	GBP/NOK	11.8321	AUD/USD	0.7738
EUR/HKD	9.4629	GBP/CHF	1.2705	NZD/USD	0.7172
EUR/CAD	1.4709	GBP/AUD	1.8292		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.62	-1	+6	+71
Germany	-0.13	-2	+13	+45
UK	0.83	-1	+9	+64
<b>Ireland</b>				
Ireland	0.29	-1	+17	+59
Belgium	0.23	-1	+17	+61
France	0.25	-2	+25	+59
Italy	1.03	-2	+25	+51
Spain	0.56	-1	+16	+51
Portugal	0.57	-1	+16	+51
Greece	0.97	-7	+8	+34
<b>5 Year Swap %</b>				
US	0.88	-0	-2	+46
Eurozone	-0.25	-4	+4	+21
UK	0.70	+0	+5	+50
<b>2 Year Swap %</b>				
US	0.23	-1	-4	+3
Eurozone	-0.48	-2	-0	+4
UK	0.30	+0	+2	+27
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	42	+1	+4	+15
Belgium	35	+1	+4	+16
France	37	+0	+12	+14
Italy	116	-0	+12	+7
Spain	69	+1	+3	+6
Portugal	69	+1	+3	+6
Greece	110	-5	-5	-11

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	66.44	+2.04	+0.50	+28.26
West Texas Oil	63.61	+2.68	+2.30	+31.56
Gold \$	1880.3	+0.19	+5.80	-0.85

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