

Another day of FX range trading

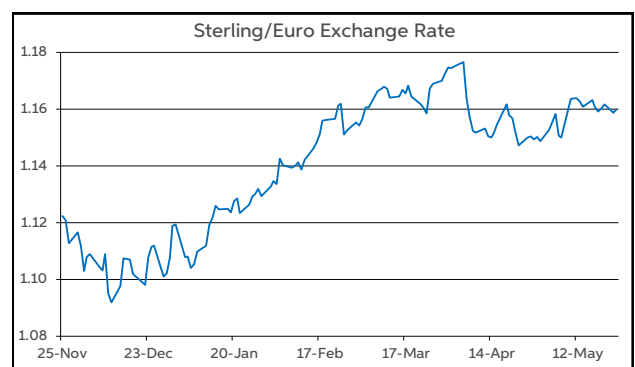
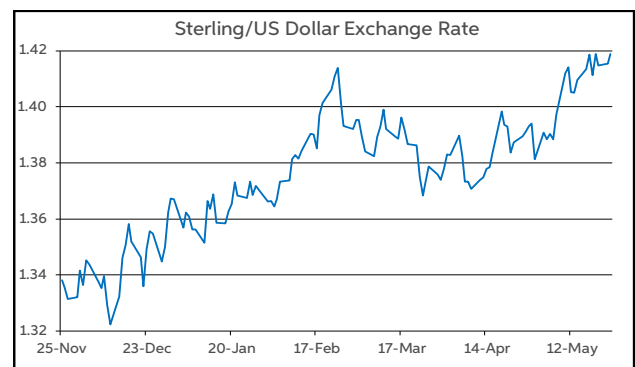
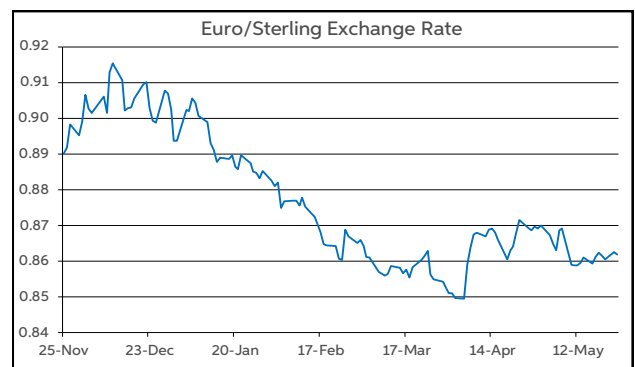
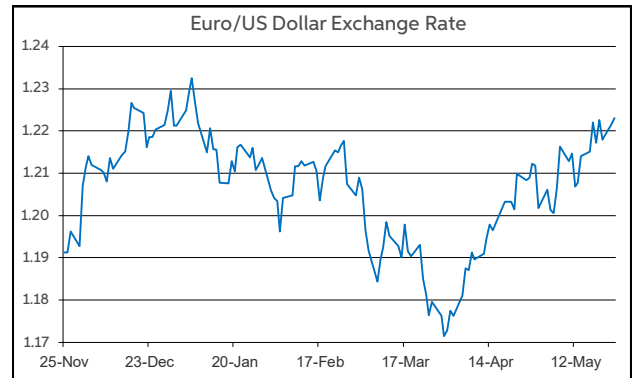
Investor sentiment started the week holding a positive tone yesterday. There was no specific driver to this firmer tone to risk sentiment. Most of the main equity indices registered gains on the day. At the closing bell on Wall Street last night, the S&P 500 was up by 1.0% on the day. Meanwhile, the action on bond markets was very quiet. The main benchmark 10 year yields were broadly unchanged on the day. The 10 year US Treasury yield continues to trade near to the 1.6% threshold.

It was a similar story on currency markets. The main pairs were confined to very narrow ranges. This was not overly surprising given the dearth of macro data releases on either side of the Atlantic. The EUR/USD pair spent much of yesterday in a tight \$1.218-1.222 range. Meantime, EUR/GBP continued to operate close to the 86p mark.

Overnight, the FX action remained muted. So as trading gets underway this morning, the majors are opening at levels similar to 24 hours earlier, with the dollar holding a slightly softer tone. In level terms, EUR/USD starts the European session just above the \$1.22 handle. The EUR/GBP pair is trading at 86.2p. Meanwhile, cable (GBP/USD) is changing hands in the upper half of the \$1.41-1.42 band.

Looking ahead to today, after a very quiet macro diary yesterday, today's schedule does feature some timely indicators. In the Eurozone, the highlight is the German Ifo measure of business sentiment for May. Meanwhile, in the US, the Conference Board survey of consumer confidence is due. Overall though, none of these releases are likely to shift the key FX pairs from their recent ranges.

John Fahey, Senior Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2020 |
| EUR/USD | 1.223 | 0.43 | 0.14 |
| EUR/GBP | 0.862 | 0.14 | -3.55 |
| GBP/USD | 1.4185 | 0.26 | 3.74 |
| GBP/EUR | 1.1597 | -0.14 | 3.68 |
| USD/JPY | 108.71 | -0.11 | 5.30 |
| EUR/JPY | 132.96 | 0.30 | 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 | 0.09 | 0.15 | 0.15 | 0.27 | 0.90 |
| EUR | 0.00 | -0.56 | -0.54 | -0.52 | -0.46 | -0.24 |
| GBP | 0.10 | 0.05 | 0.08 | 0.13 | 0.30 | 0.68 |

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 | | | | |

Euro

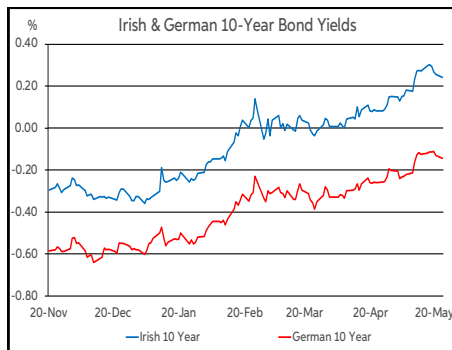
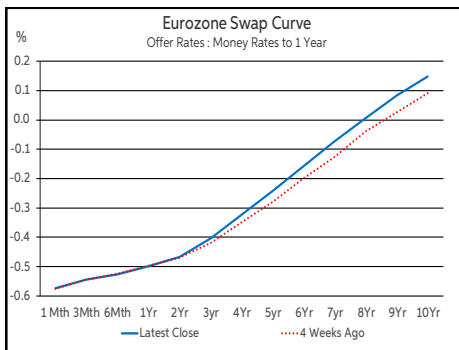
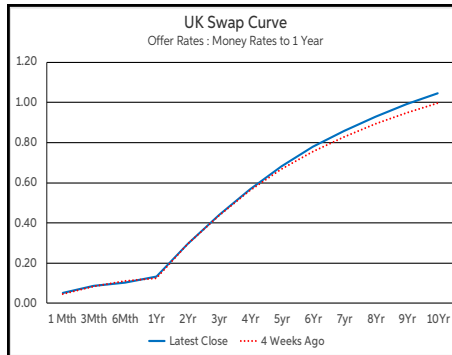
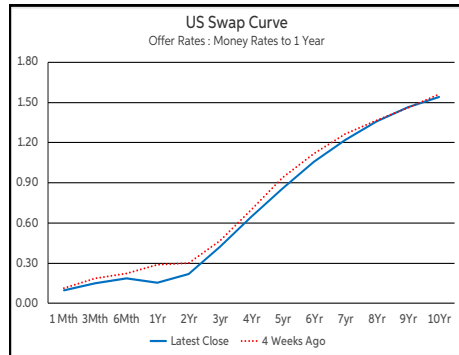
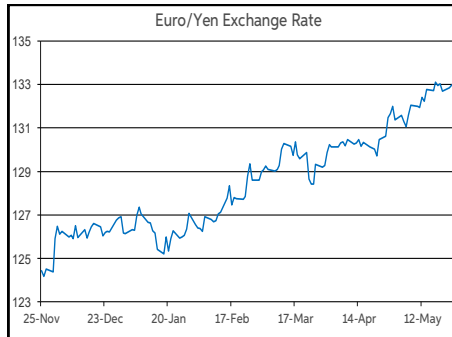
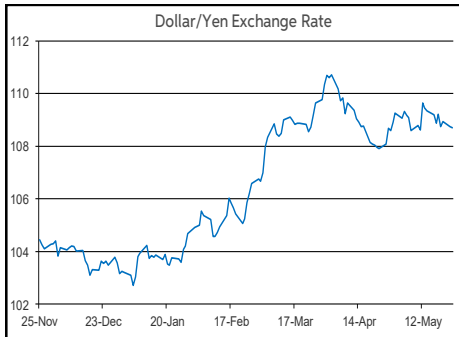
| | |
|---------|---------|
| EUR/GBP | 0.862 |
| EUR/USD | 1.223 |
| EUR/JPY | 132.96 |
| EUR/SEK | 10.1519 |
| EUR/DKK | 7.4361 |
| EUR/NOK | 10.1557 |
| EUR/CHF | 1.0959 |
| EUR/AUD | 1.5746 |
| EUR/HKD | 9.4938 |
| EUR/CAD | 1.4722 |

Sterling

| | |
|---------|---------|
| GBP/EUR | 1.1597 |
| GBP/USD | 1.4185 |
| GBP/CAD | 1.7072 |
| GBP/NZD | 1.9611 |
| GBP/JPY | 154.21 |
| GBP/SEK | 11.7701 |
| GBP/DKK | 8.6248 |
| GBP/NOK | 11.7736 |
| GBP/CHF | 1.2708 |
| GBP/AUD | 1.8269 |

Dollar

| | |
|---------|---------|
| USD/JPY | 108.71 |
| USD/CAD | 1.2039 |
| USD/CHF | 0.8959 |
| USD/CNY | 6.4046 |
| USD/BRL | 5.3195 |
| USD/RUB | 73.3588 |
| USD/INR | 72.79 |
| AUD/USD | 0.7764 |
| NZD/USD | 0.723 |



| Debt Markets | | | | |
|---|-------|-----|------------|--------|
| | Close | Day | Change bps | |
| | | | 4 Weeks | End 20 |
| 10 Year Yield % | | | | |
| US | 1.60 | -2 | +3 | +69 |
| Germany | -0.14 | -1 | +12 | +44 |
| UK | 0.81 | -2 | +5 | +62 |
| Ireland | | | | |
| Ireland | 0.28 | -1 | +16 | +58 |
| Belgium | 0.21 | -2 | +15 | +60 |
| France | 0.23 | -1 | +24 | +58 |
| Italy | 1.02 | -1 | +22 | +50 |
| Spain | 0.54 | -2 | +14 | +49 |
| Portugal | 0.55 | -2 | +14 | +49 |
| Greece | 0.98 | +1 | +8 | +35 |
| 5 Year Swap % | | | | |
| US | 0.86 | -3 | -5 | +44 |
| Eurozone | -0.24 | -1 | +5 | +22 |
| UK | 0.68 | -1 | +2 | +49 |
| 2 Year Swap % | | | | |
| US | 0.22 | -2 | -5 | +3 |
| Eurozone | -0.47 | +0 | +1 | +6 |
| UK | 0.29 | -0 | +1 | +27 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 42 | -0 | +4 | +15 |
| Belgium | 35 | -0 | +3 | +16 |
| France | 37 | +0 | +12 | +14 |
| Italy | 116 | -0 | +11 | +6 |
| Spain | 68 | -0 | +2 | +5 |
| Portugal | 69 | -1 | +3 | +5 |
| Greece | 112 | +2 | -4 | -9 |

| Commodities | | | | |
|----------------|----------|-------|---------|--------|
| | % Change | | | |
| | Close | Day | 4 Weeks | End 20 |
| Brent Oil | 68.46 | +3.04 | +4.28 | +32.16 |
| West Texas Oil | 66.13 | +3.96 | +6.63 | +36.77 |
| Gold \$ | 1881.1 | +0.04 | +5.67 | -0.81 |

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