

Another quiet day on the FX front

Investor sentiment was generally cautious yesterday. At the close last night on Wall Street, the S&P 500 was marginally lower (-0.2%). On bond markets, the yields on the main 10 year benchmarks were down 2-4bps on the day. Meanwhile, currency-wise, the main pairs remained confined to fairly tight ranges. Of the limited action to register, sterling was holding a slightly softer tone for much of the day, while the euro continued to edge higher against the dollar.

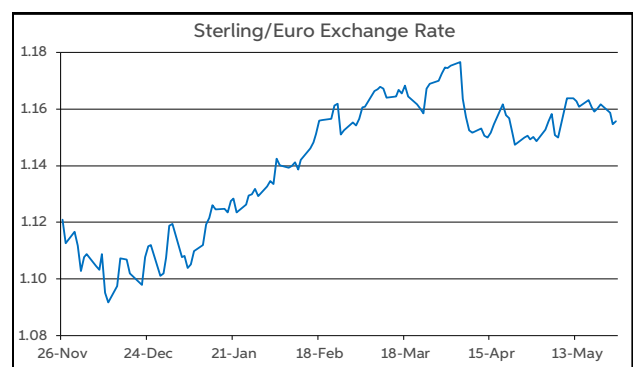
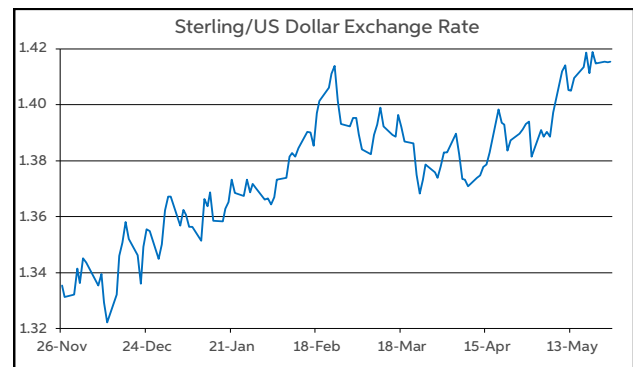
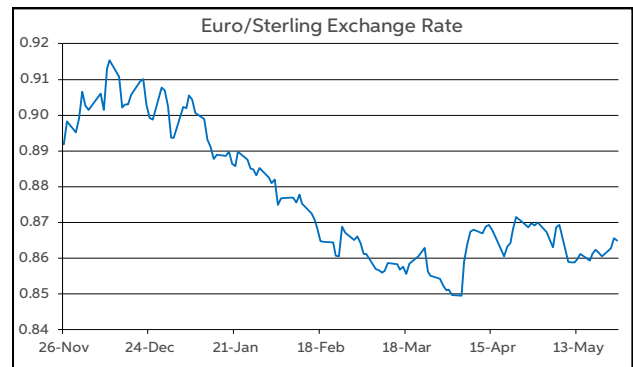
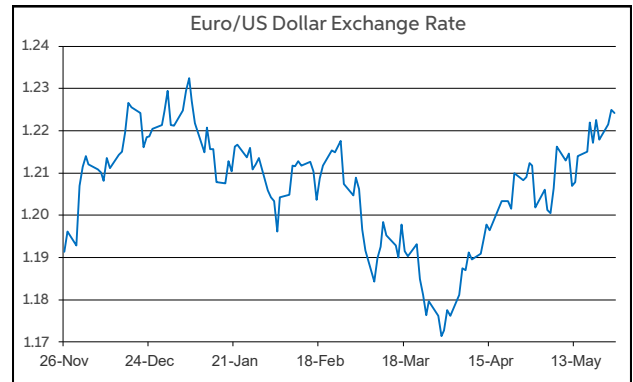
Data-wise, the German Ifo for May came in ahead of expectations, reaching a 2 year high in the process. The underlying details of the survey show broad-based improvement across sectors, consistent with an increase in activity for the Eurozone's largest economy amid an easing of Covid-related restrictions.

The other main data release yesterday was the Conference Board measure of US consumer confidence for May. The headline number disappointed versus expectations. However, a downward revision to the April number, meant that the May reading suggested that confidence levels were broadly steady this month.

As trading gets underway this morning, the EUR/GBP pair is up at the midpoint of 86-87p. Meanwhile, EUR/USD has maintained its position in \$1.22 territory, changing hands near to \$1.225. Elsewhere, GBP/USD has edged down to the halfway point of the \$1.41-1.42 band.

Looking ahead to today, the macro calendar is very sparse on both sides of the Atlantic. Overall then, from a currency viewpoint, the FX action could continue to be characterised by narrow range trading.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2241	0.10	0.23
EUR/GBP	0.8649	0.29	-3.22
GBP/USD	1.4155	-0.17	3.53
GBP/EUR	1.156	-0.29	3.33
USD/JPY	108.82	0.11	5.40
EUR/JPY	133.24	0.23	5.61

* 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	0.14	0.15	0.24	0.88
EUR	0.00	-0.56	-0.54	-0.50	-0.46	-0.26
GBP	0.10	0.05	0.08	0.13	0.30	0.67

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

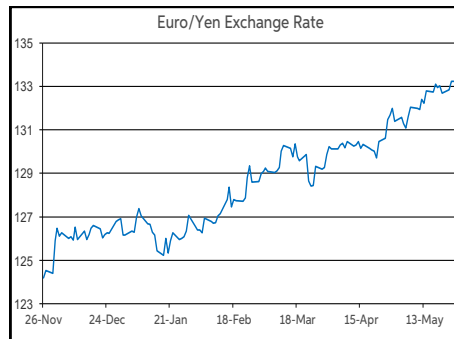
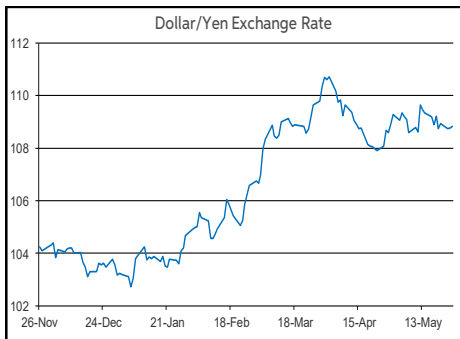
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

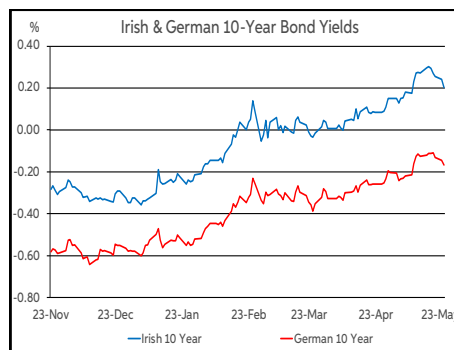
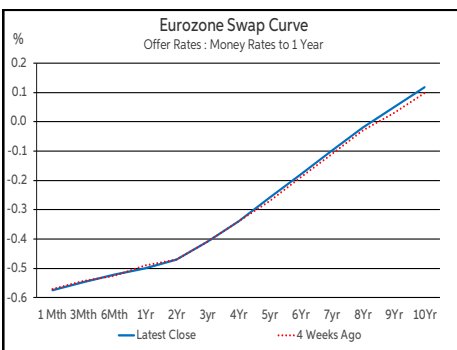
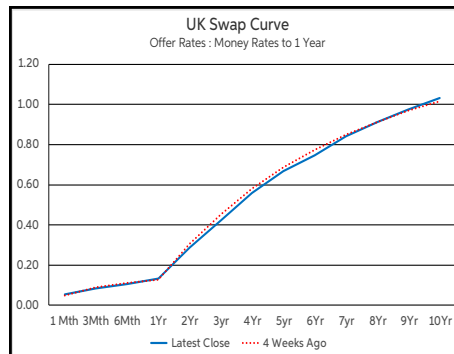
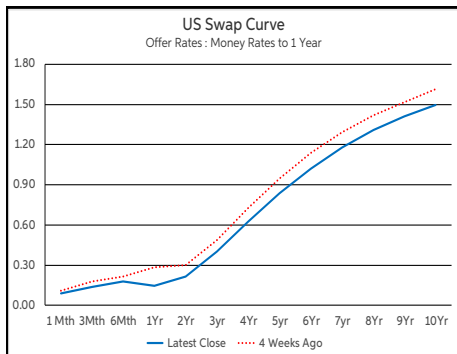
Wednesday 26 May 2021
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8649	GBP/EUR	1.156	USD/JPY	108.82
EUR/USD	1.2241	GBP/USD	1.4155	USD/CAD	1.2053
EUR/JPY	133.24	GBP/CAD	1.706	USD/CHF	0.8952
EUR/SEK	10.1128	GBP/NZD	1.9387	USD/CNY	6.3971
EUR/DKK	7.436	GBP/JPY	154.03	USD/BRL	5.3312
EUR/NOK	10.155	GBP/SEK	11.6859	USD/RUB	73.3489
EUR/CHF	1.0964	GBP/DKK	8.5963	USD/INR	72.753
EUR/AUD	1.5735	GBP/NOK	11.7342	AUD/USD	0.778
EUR/HKD	9.502	GBP/CHF	1.2671	NZD/USD	0.7298
EUR/CAD	1.4756	GBP/AUD	1.8187		



Debt Markets				
	Close	Day	Change bps	
			4 Weeks	End 20
10 Year Yield %				
US	1.56	-4	-6	+64
Germany	-0.16	-2	+9	+41
UK	0.79	-2	+1	+59
5 Year Swap %				
US	0.84	-4	-11	+41
Eurozone	-0.26	-2	+2	+20
UK	0.67	-1	-1	+48
2 Year Swap %				
US	0.21	+0	-6	+2
Eurozone	-0.47	-0	+1	+6
UK	0.29	-1	-1	+26
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	-1	+3	+13
Belgium	34	-1	+2	+15
France	36	-1	+11	+13
Italy	113	-3	+5	+3
Spain	67	-2	-1	+4
Portugal	67	-2	-1	+3
Greece	107	-5	-10	-13



Commodities				
	Close	Day	% Change	
			4 Weeks	End 20
Brent Oil	68.65	+0.28	+3.36	+32.53
West Texas Oil	66.27	+0.21	+5.14	+37.06
Gold \$	1899.3	+0.97	+6.90	+0.15

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