

Key FX pairs relatively range bound

There was a more positive tone to investor sentiment yesterday, amid calmer trading conditions on financial markets. The Euro Stoxx 50 finished up 0.8%. On Wall Street, the S&P 500 gained circa 1%. On bond markets, benchmark sovereign bond yields were little changed.

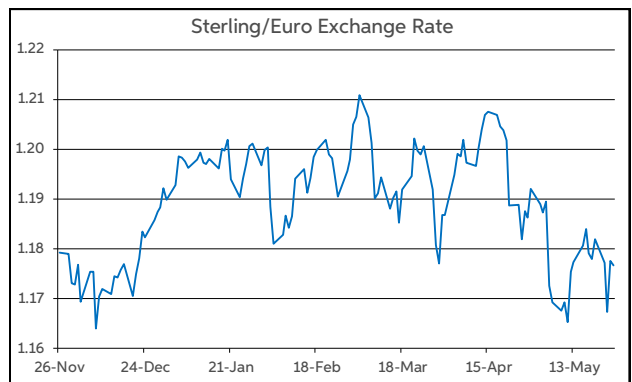
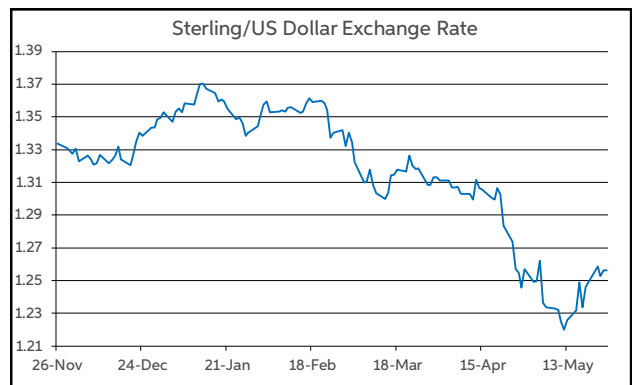
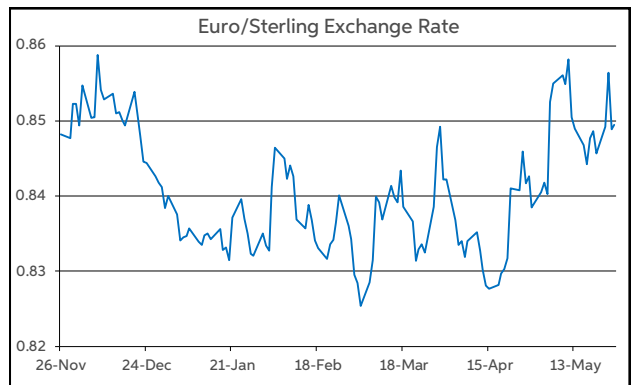
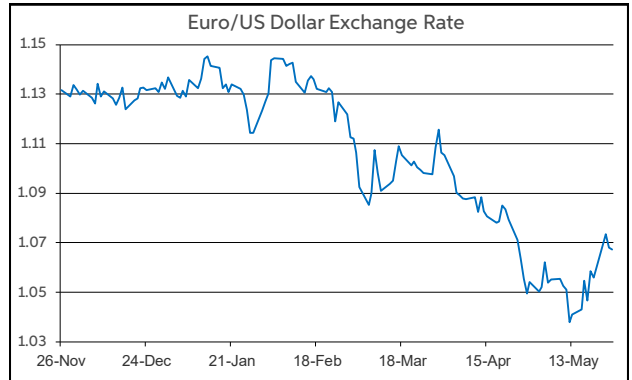
Currency-wise, the main pairs operated in relatively narrow ranges yesterday. Of the limited moves to register, the euro was under some modest downward pressure. Elsewhere, sterling held a slightly firmer tone on the exchanges. From a dollar viewpoint, the release of the latest FOMC meeting minutes did not impact the currency, as they were in line with current Fed guidance.

Comments from a number of ECB officials though, were unhelpful for the euro. A consensus appears to be forming on the Governing Council that two 25bps rate hikes in Q3, in July and September, respectively, will be appropriate. This is in line with a proposed roadmap highlighted by President Lagarde earlier this week. However, the remarks also suggest that a more hawkish approach to normalising policy is not on the cards.

As trading gets underway this morning, EUR/USD opens in the upper half of \$1.06-1.07. Meanwhile, EUR/GBP is operating just below the 85p mark. GBP/USD is changing hands up near to the midpoint of the \$1.25-1.26 range.

Turning to the day ahead, there is a relatively quiet data schedule on both sides of the Atlantic. The only releases of note are the second readings of US GDP and inflation for Q1. Meanwhile, a market holiday in a number of European countries may contribute to lighter trading throughout the day.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0673	-0.29	-6.11
EUR/GBP	0.8495	-0.48	1.13
GBP/USD	1.2562	0.20	-7.15
GBP/EUR	1.1765	0.48	-1.12
USD/JPY	127.26	0.25	10.58
EUR/JPY	135.85	-0.04	3.81

* 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	0.875	1.02	1.53	2.47	2.78	2.75
EUR	0.00	-0.54	-0.36	0.39	0.93	1.37
GBP	1.00	1.05	1.34	2.14	2.41	2.37

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

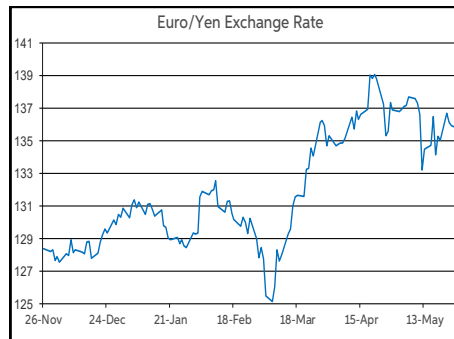
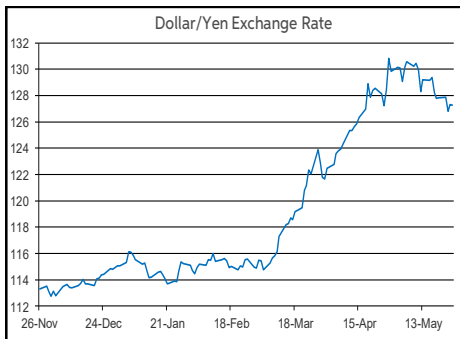
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

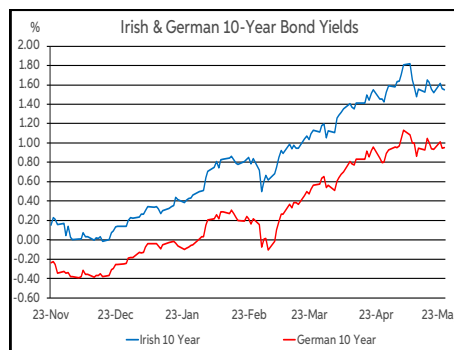
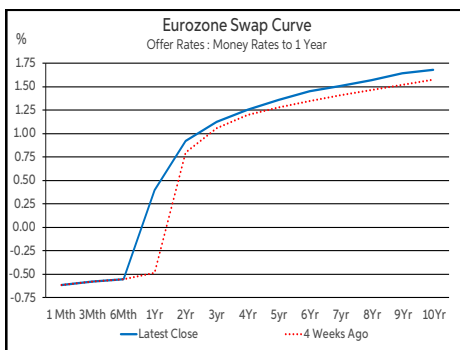
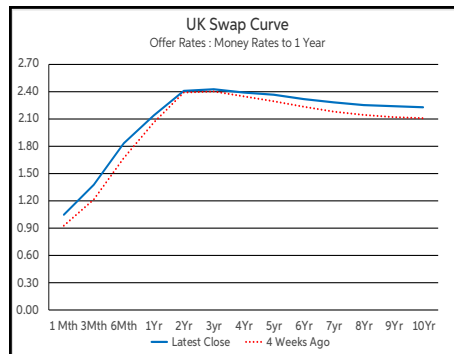
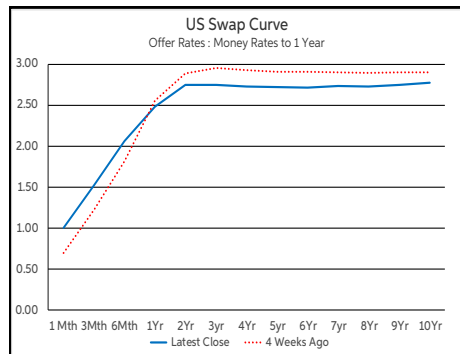
Thursday 26 May 2022
07:22 am



Euro		Sterling		Dollar	
EUR/GBP	0.8495	GBP/EUR	1.1765	USD/JPY	127.26
EUR/USD	1.0673	GBP/USD	1.2562	USD/CAD	1.2835
EUR/JPY	135.85	GBP/CAD	1.6124	USD/CHF	0.9618
EUR/SEK	10.5545	GBP/NZD	1.9445	USD/CNY	6.7374
EUR/DKK	7.4398	GBP/JPY	159.86	USD/BRL	4.8238
EUR/NOK	10.2448	GBP/SEK	12.42	USD/RUB	59.5
EUR/CHF	1.0268	GBP/DKK	8.7545	USD/INR	77.6175
EUR/AUD	1.5089	GBP/NOK	12.057		
EUR/HKD	8.3791	GBP/CHF	1.2085	AUD/USD	0.7071
EUR/CAD	1.37	GBP/AUD	1.7758	NZD/USD	0.646



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.75	-0	-8	+124
Germany	0.96	+0	+15	+113
UK	1.91	+2	+10	+94
Ireland				
Ireland	1.58	-3	+12	+133
Belgium	1.56	-1	+22	+139
France	1.48	-1	+18	+129
Italy	2.95	-2	+38	+176
Spain	2.06	-2	+25	+146
Portugal	2.11	-2	+25	+162
Greece	3.57	-9	+53	+226
5 Year Swap %				
US	2.72	-2	-16	+139
Eurozone	1.36	-1	+9	+135
UK	2.37	+0	+8	+109
2 Year Swap %				
US	2.75	-2	-11	+181
Eurozone	0.92	-1	+13	+122
UK	2.41	+1	+2	+122
10 Year Government Bond Spreads to Benchmark bps				
Ireland	62	-3	-2	+19
Belgium	61	-1	+7	+25
France	53	-2	+4	+16
Italy	199	-2	+23	+63
Spain	110	-2	+11	+33
Portugal	115	-2	+10	+49
Greece	262	-9	+39	+113



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	114.03	+0.41	+8.27	+46.61
West Texas Oil	112.88	+0.29	+10.71	+49.85
Gold \$	1852.8	-0.70	-1.76	+1.34

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