

EUR/USD opens below \$1.22

Investor sentiment remained relatively subdued yesterday. This was in part due to a lack of top tier data releases from any of the key advanced economies. Equity markets on both sides of the Atlantic finished broadly flat for the day.

On bond markets, Eurozone bond yields moved 4-5bps lower across the board. In contrast US Treasury yields edged higher. Currency-wise, the dollar was holding a somewhat firmer tone.

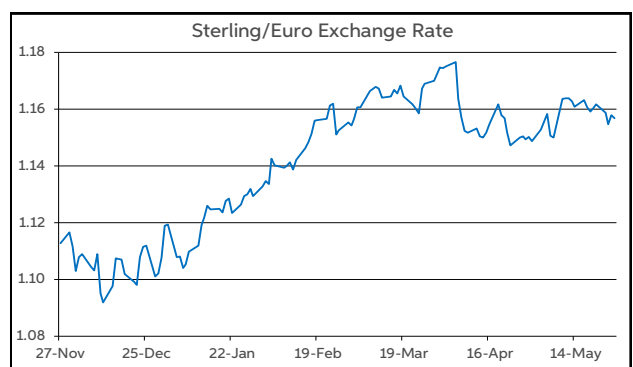
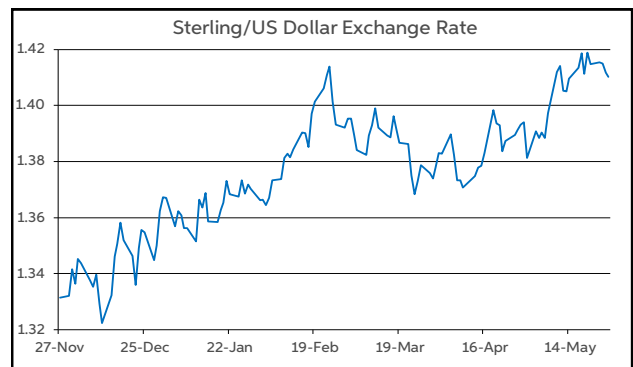
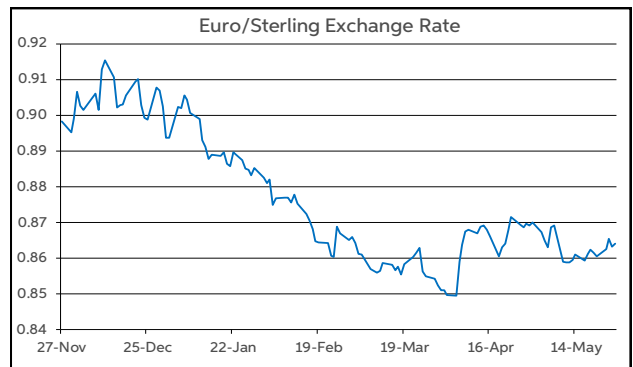
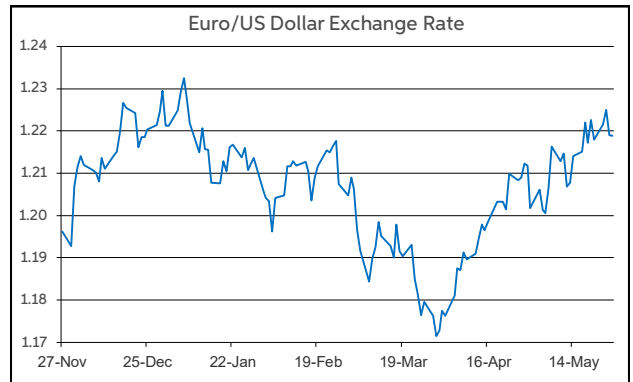
Some of the move higher in the dollar coincided with comments from Fed official Quarles, who noted that it is "important for the FOMC to begin discussing our plans to adjust the pace of asset purchases at upcoming meetings." The recent Fed minutes stated that some members were in favour of discussing plans to taper also, which caused a similar bout of dollar strength, although the move at that time proved to be short lived.

In level terms, the slightly firmer tone to the dollar is reflected by EUR/USD changing hands below the \$1.22 handle, having fallen back from the midpoint of the \$1.22-1.23 range. GBP/USD is operating down at the \$1.41 mark. Meanwhile, EUR/GBP continues to trade near to the halfway mark of the 86-87p band.

Ahead today, initial jobless claims in the US are expected to remain on a downward trend, having moved lower for the past 6 weeks. Meanwhile, durable goods production is forecast to have increased by 0.7% in April.

However, barring any major surprises, the data may not impact on currency markets. As a result, relatively narrow range trading may continue to remain a feature amongst the main FX pairs.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2186	-0.58	-0.22
EUR/GBP	0.864	-0.13	-3.32
GBP/USD	1.4102	-0.46	3.14
GBP/EUR	1.1568	0.13	3.44
USD/JPY	109.13	0.34	5.71
EUR/JPY	133	-0.25	5.42

* 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	0.14	0.23	0.87
EUR	0.00	-0.56	-0.54	-0.50	-0.47	-0.27
GBP	0.10	0.05	0.08	0.13	0.29	0.65

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

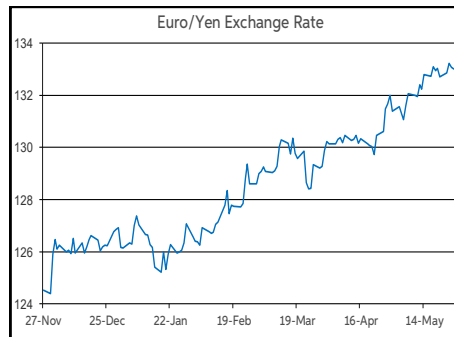
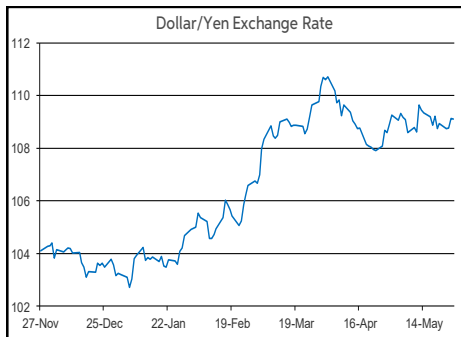
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

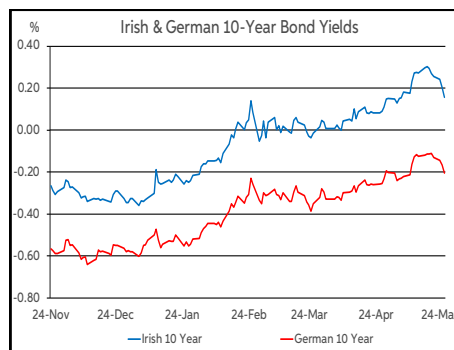
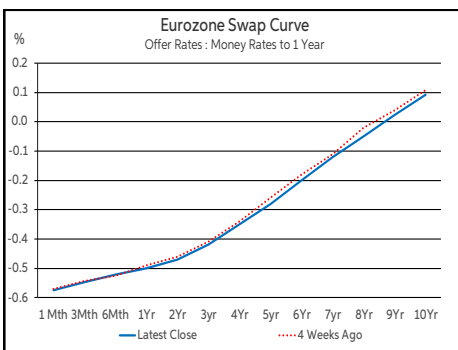
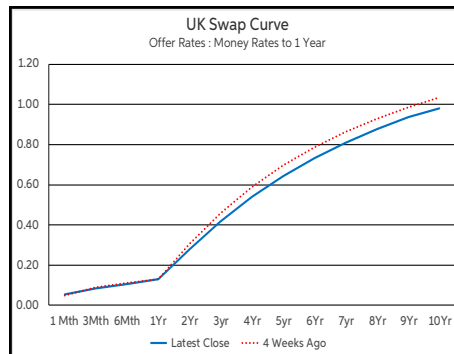
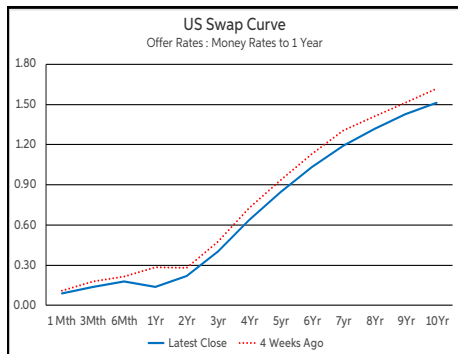
Thursday 27 May 2021
07:27 am



Euro		Sterling		Dollar	
EUR/GBP	0.864	GBP/EUR	1.1568	USD/JPY	109.13
EUR/USD	1.2186	GBP/USD	1.4102	USD/CAD	1.2125
EUR/JPY	133	GBP/CAD	1.71	USD/CHF	0.8974
EUR/SEK	10.1401	GBP/NZD	1.9347	USD/CNY	6.3818
EUR/DKK	7.4354	GBP/JPY	153.9	USD/BRL	5.3108
EUR/NOK	10.2081	GBP/SEK	11.7278	USD/RUB	73.558
EUR/CHF	1.0938	GBP/DKK	8.6028	USD/INR	72.635
EUR/AUD	1.5739	GBP/NOK	11.8142	AUD/USD	0.7742
EUR/HKD	9.4576	GBP/CHF	1.2656	NZD/USD	0.7286
EUR/CAD	1.478	GBP/AUD	1.8212		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.58	+2	-3	+66
Germany	-0.20	-4	+3	+37
UK	0.75	-4	-5	+56
5 Year Swap %				
US	0.85	+1	-9	+42
Eurozone	-0.28	-2	-1	+18
UK	0.64	-2	-5	+45
2 Year Swap %				
US	0.22	+2	-6	+3
Eurozone	-0.47	-0	-0	+6
UK	0.28	-1	-2	+25
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	-1	+2	+12
Belgium	33	-1	+2	+14
France	36	-1	+10	+12
Italy	113	-0	+6	+3
Spain	66	-1	-1	+3
Portugal	66	-1	-2	+2
Greece	107	-0	-12	-14



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	68.87	+0.32	+2.38	+32.95
West Texas Oil	66.41	+0.21	+4.07	+37.35
Gold \$	1896.4	-0.15	+6.46	-0.00

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