

Softer tone to the dollar

The risk averse mood on markets persisted yesterday. The Euro Stoxx 50 fell by 1.4%. Meanwhile, in the US, the S&P 500 lost a more modest 0.6%. Amid the risk averse backdrop, bond yields continued to decline. The 10-year US Treasury yield fell by 5bps, while the 10-year German Bund yield moved 7bps lower, edging back below 1%.

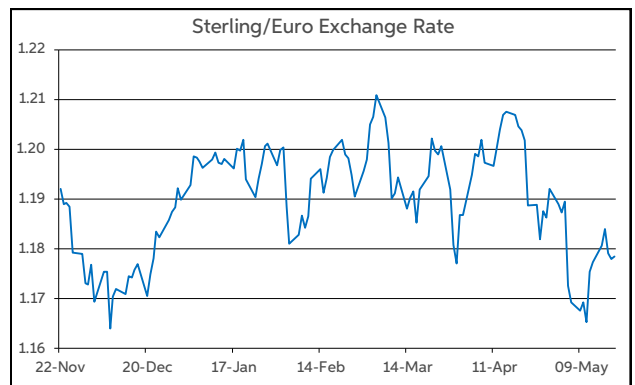
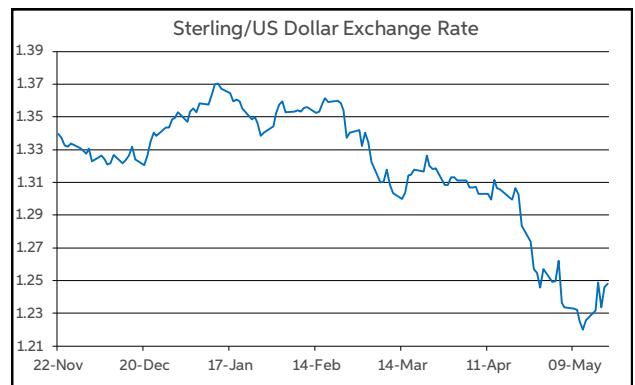
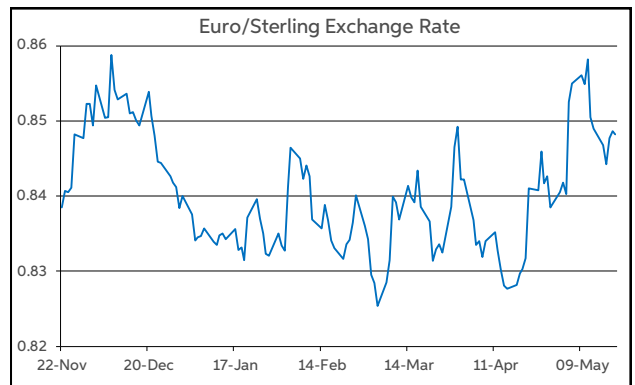
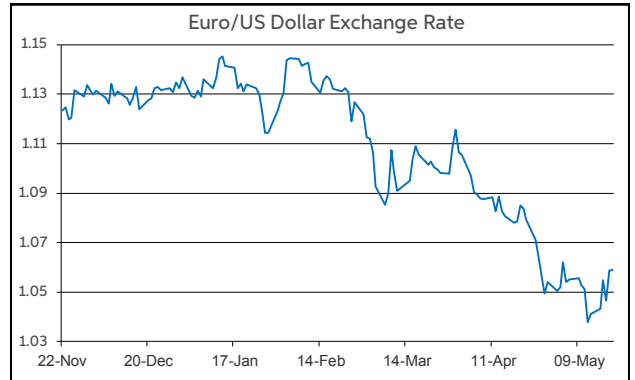
However, despite the weaker tone to risk appetite, the dollar was on the back foot for much of yesterday. The greenback shed around 0.8% versus the euro and sterling. The move lower in the dollar coincided with a decline in US 2-year swap rates. Eurozone and UK rates were little changed. Other traditional safe havens though, such as the Swiss franc and the Japanese yen benefitted from the “risk-off” mood on markets.

As trading gets underway this morning, the softer tone to the dollar sees EUR/USD open in the upper half of the \$1.05-1.06 range. GBP/USD is operating above the midpoint of \$1.24-1.25. EUR/GBP remains range bound, continuing to change hands in the top half of the 84-85p corridor.

In terms of today’s macro-calendar, the latest UK consumer confidence (May) and retail sales (April) data have already been released. Consumer confidence inched down to -39, lower than at any time during the pandemic. Meantime, retail sales printed above the consensus (-0.2%), rising by 1.4% in the month. However, the data have not impacted sterling so far this morning.

Turning to the remainder of the day, there is a sparse data schedule ahead. Eurozone flash consumer confidence (May) is the only release of note. The index is forecast to move slightly higher.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0588	0.90	-6.86
EUR/GBP	0.8481	0.11	0.96
GBP/USD	1.248	0.76	-7.75
GBP/EUR	1.1786	-0.11	-0.96
USD/JPY	127.84	-0.76	11.09
EUR/JPY	135.37	0.10	3.44

* 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	0.93	1.48	2.54	2.92	2.89
EUR	0.00	-0.55	-0.37	0.40	1.00	1.44
GBP	1.00	1.01	1.33	2.17	2.50	2.37

All rates quoted are indicative market rates

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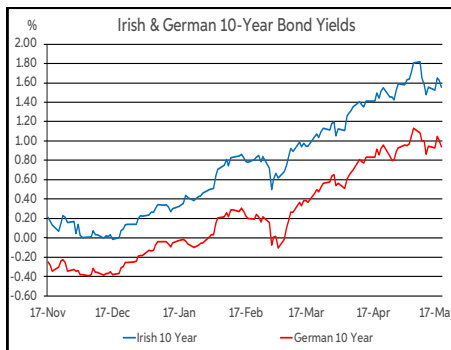
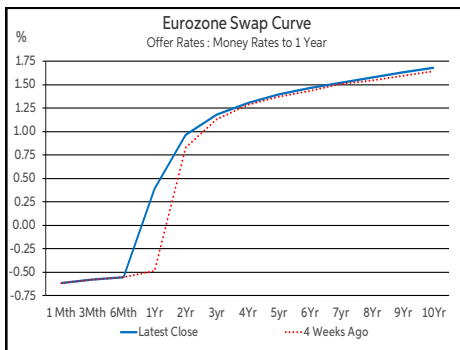
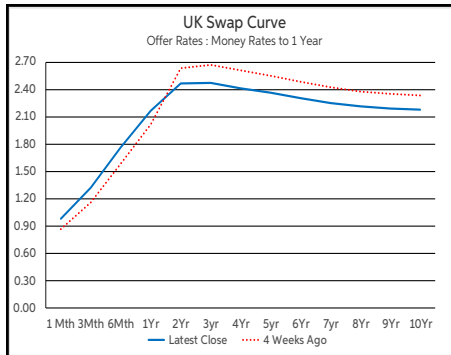
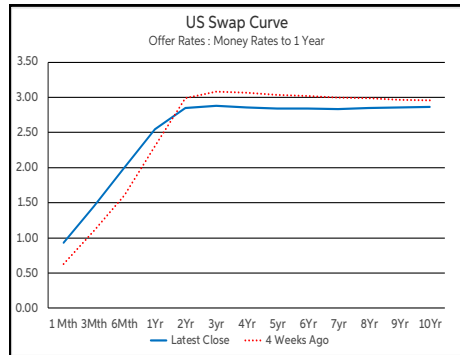
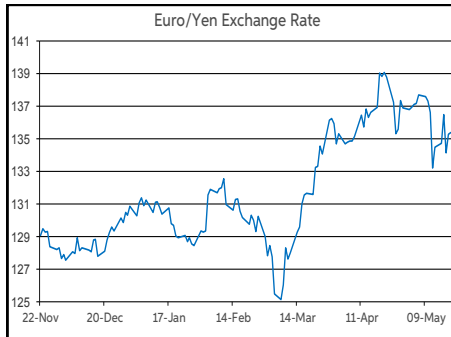
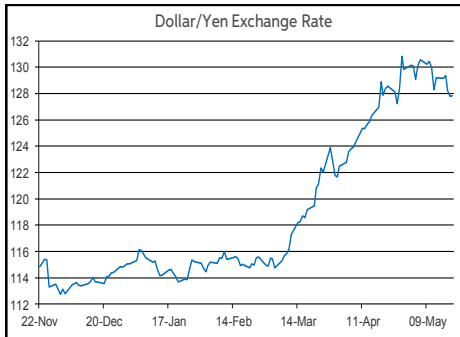
CONTACTS		
AIB Customer Treasury Services business.treasury@aib.ie aib.corporatetreasury@aib.ie aib.ie/fxcentre	Customer Treasury Services GB treasury.gb@aib.ie aibgb.co.uk/fxcentre	Customer Treasury Services NI TreasuryNI@aib.ie aibni.co.uk/fxcentre

Opening Levels

Friday 20 May 2022
07:36 am



Euro		Sterling		Dollar	
EUR/GBP	0.8481	GBP/EUR	1.1786	USD/JPY	127.84
EUR/USD	1.0588	GBP/USD	1.248	USD/CAD	1.2797
EUR/JPY	135.37	GBP/CAD	1.5975	USD/CHF	0.9707
EUR/SEK	10.4887	GBP/NZD	1.9489	USD/CNY	6.6894
EUR/DKK	7.4428	GBP/JPY	159.54	USD/BRL	4.931
EUR/NOK	10.2606	GBP/SEK	12.3618	USD/RUB	62
EUR/CHF	1.0279	GBP/DKK	8.7721	USD/INR	77.58
EUR/AUD	1.503	GBP/NOK	12.0923	AUD/USD	0.704
EUR/HKD	8.3068	GBP/CHF	1.2118	NZD/USD	0.6403
EUR/CAD	1.3551	GBP/AUD	1.7721		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.84	-5	-7	+133
Germany	0.94	-7	+1	+112
UK	1.87	+0	-15	+90
Ireland				
Ireland	1.60	-4	+6	+135
Belgium	1.54	-7	+9	+136
France	1.47	-6	+6	+127
Italy	2.91	-5	+31	+172
Spain	2.05	-5	+15	+146
Portugal	2.10	-5	+16	+162
Greece	3.54	-6	+59	+223
5 Year Swap %				
US	2.84	-6	-16	+150
Eurozone	1.39	-2	+3	+138
UK	2.36	+1	-18	+109
2 Year Swap %				
US	2.85	-7	-10	+191
Eurozone	0.96	+1	+15	+126
UK	2.47	+2	-17	+127
10 Year Government Bond Spreads to Benchmark bps				
Ireland	66	+3	+5	+23
Belgium	60	+1	+7	+24
France	53	+1	+4	+15
Italy	197	+2	+29	+60
Spain	111	+2	+13	+34
Portugal	116	+2	+14	+50
Greece	260	+1	+58	+111

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	112.04	+2.69	+3.42	+44.05
West Texas Oil	112.21	+2.32	+8.01	+48.96
Gold \$	1841.7	+1.44	-5.63	+0.73

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