

## EUR/USD below \$1.04

There was a “risk-off” tone to investor sentiment for much of yesterday on financial markets. The Euro Stoxx 50 declined by 0.9% on the day. The S&P 500 regained some momentum coming into the close to finish near to flat. On bond markets, European yields moved sharply lower. The 10-year German Bund yield fell by 14bps, while the comparable UK Gilt yield dropped by 16bps. The 10-year US Treasury yield declined by a more modest 7bps.

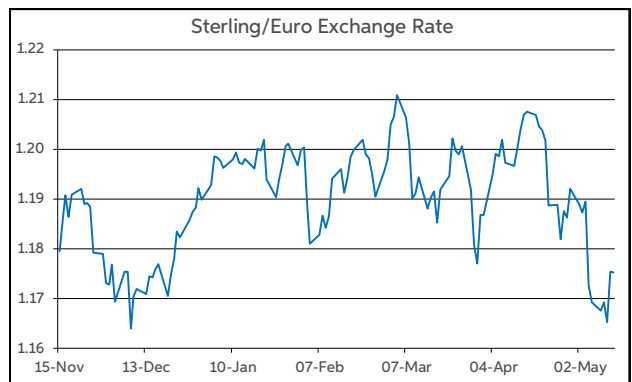
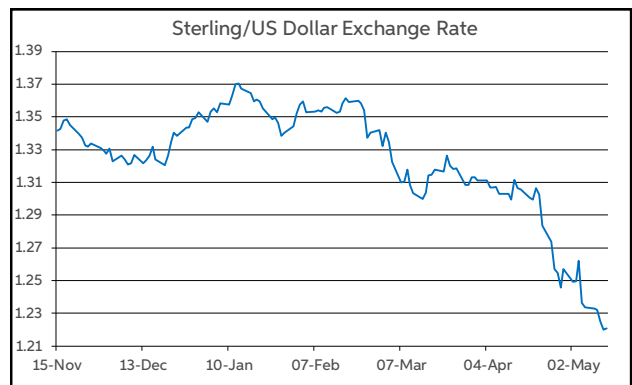
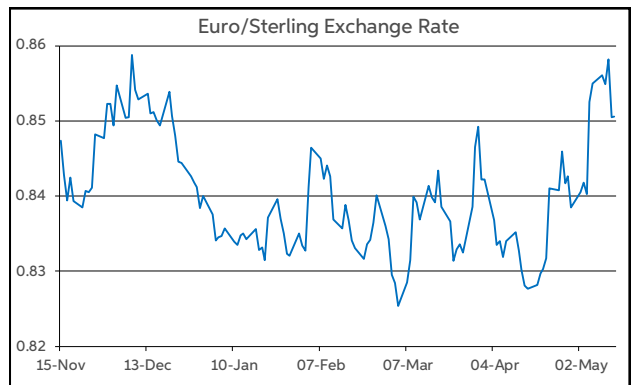
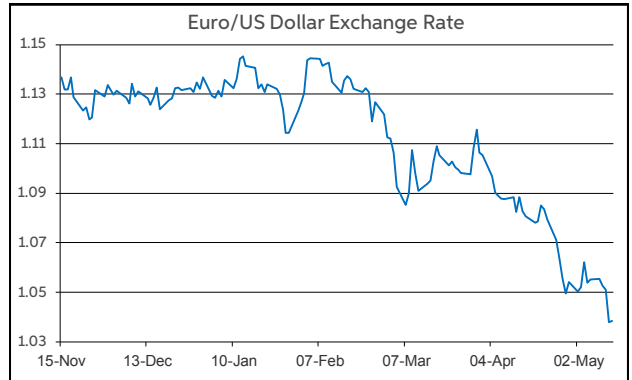
Currency-wise, the euro came under significant pressure. The single currency lost over 1% against the dollar and sterling. The key EUR/USD exchange moved below \$1.04 in the process, falling to its lowest level since 2016.

Meanwhile, having been on the back foot earlier in the week, sterling stabilised yesterday. Elsewhere, amid the risk averse mood on markets, traditional safe havens such as the Japanese yen found some support. The yen rose by circa 1% versus the dollar, with USD/JPY edging back into the ¥128-129 range as a result.

In level terms, the softer tone to the euro sees EUR/USD open this morning just below the \$1.04 threshold, having been as low as \$1.035 yesterday. Meanwhile, EUR/GBP is trading back at the 85p mark, having started yesterday above 86p. GBP/USD continues to straddle the \$1.22 handle, as it has done for the past 24 hours.

Turning to today, there is a relatively quiet data schedule on both sides of the Atlantic. In the Eurozone, industrial production (March) is forecast to fall by 2%, as German industry in particular, remains hamstrung by supply chain issues. In the US, the Michigan measure of consumer sentiment (May) is due. Speeches from a number of central bankers will also be of interest.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0389	-1.21	-8.61
EUR/GBP	0.8506	-1.27	1.26
GBP/USD	1.2212	0.05	-9.73
GBP/EUR	1.1754	1.28	-1.25
USD/JPY	128.7	-0.83	11.84
EUR/JPY	133.73	-2.02	2.19

\* 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	0.85	1.42	2.47	2.87	2.91
EUR	0.00	-0.57	-0.41	0.21	0.80	1.32
GBP	1.00	0.97	1.24	2.00	2.26	2.18

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

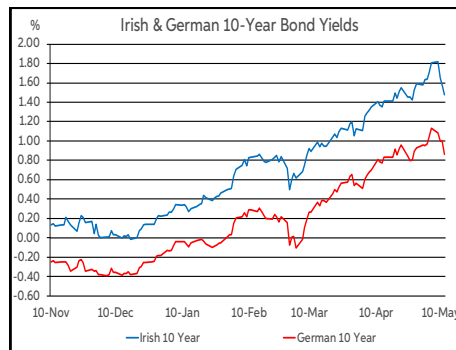
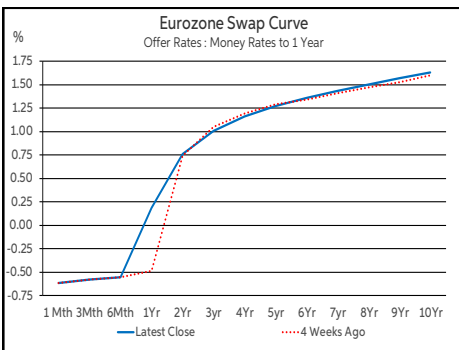
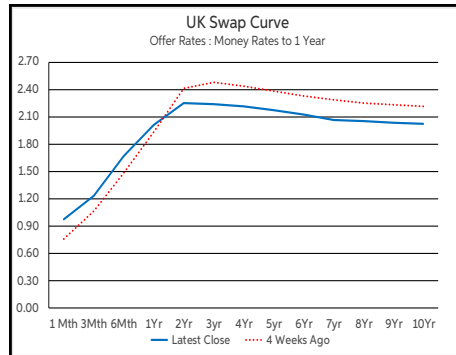
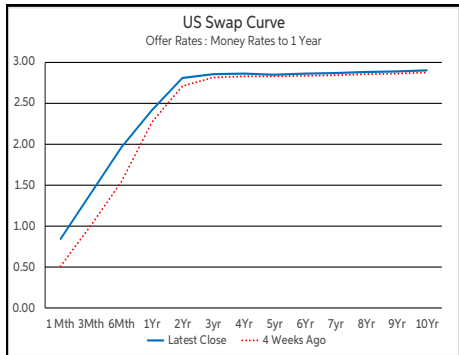
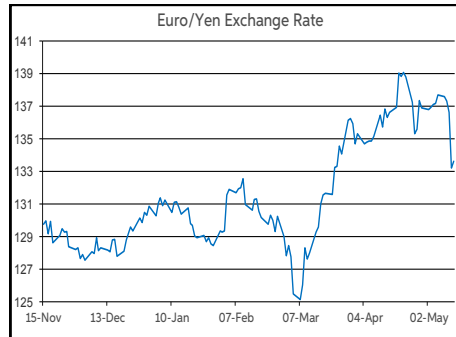
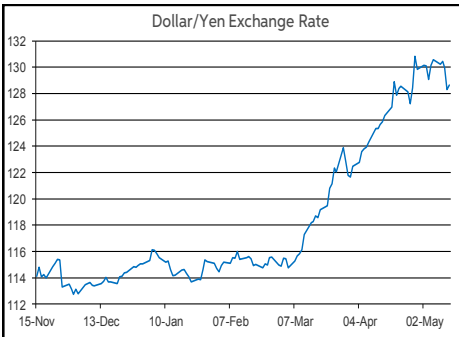
CONTACTS		
<b>AIB Customer Treasury Services</b> business.treasury@aib.ie aib.corporatetreasury@aib.ie aib.ie/fxcentre	<b>Customer Treasury Services GB</b> treasury.gb@aib.ie  aibgb.co.uk/fxcentre	<b>Customer Treasury Services NI</b> TreasuryNI@aib.ie  aibni.co.uk/fxcentre

# Opening Levels

Friday 13 May 2022  
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8506	GBP/EUR	1.1754	USD/JPY	128.7
EUR/USD	1.0389	GBP/USD	1.2212	USD/CAD	1.3007
EUR/JPY	133.73	GBP/CAD	1.5885	USD/CHF	1.0027
EUR/SEK	10.509	GBP/NZD	1.9543	USD/CNY	6.7983
EUR/DKK	7.4405	GBP/JPY	157.18	USD/BRL	5.1342
EUR/NOK	10.2317	GBP/SEK	12.3513	USD/RUB	63.283
EUR/CHF	1.0416	GBP/DKK	8.7445	USD/INR	77.3375
EUR/AUD	1.5084	GBP/NOK	12.0187	AUD/USD	0.6886
EUR/HKD	8.1552	GBP/CHF	1.2245	NZD/USD	0.6246
EUR/CAD	1.3514	GBP/AUD	1.773		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	2.86	-7	+3	+134
Germany	0.87	-14	+3	+105
UK	1.67	-16	-22	+70
<b>Ireland</b>				
Ireland	1.52	-10	+9	+127
Belgium	1.43	-13	+7	+126
France	1.38	-12	+3	+118
Italy	2.72	-17	+22	+154
Spain	1.90	-13	+11	+131
Portugal	1.96	-15	+10	+147
Greece	3.37	-15	+48	+206
<b>5 Year Swap %</b>				
US	2.85	-8	+4	+151
Eurozone	1.27	-14	-2	+126
UK	2.17	-10	-21	+90
<b>2 Year Swap %</b>				
US	2.81	-9	+12	+186
Eurozone	0.76	-12	+2	+106
UK	2.25	-5	-16	+106
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	65	+4	+6	+23
Belgium	56	+0	+4	+21
France	51	+1	+0	+13
Italy	185	-3	+19	+49
Spain	103	+1	+8	+26
Portugal	109	-2	+7	+43
Greece	250	-1	+45	+101

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	107.45	-0.06	-3.80	+38.15
West Texas Oil	106.15	+0.62	-0.65	+40.91
Gold \$	1821.7	-1.64	-7.69	-0.36

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.