

Firmer dollar and sterling under pressure

There was a mixed tone to investor sentiment on equity markets yesterday. The Euro Stoxx 50 surged by 2.6%. In contrast, the S&P 500 fell by 1.6%, as US CPI inflation did not fall by as much as anticipated in April. Headline CPI declined to 8.3% from 8.5% (vs. 8.1% f'cast). The core rate fell to 6.2% from 6.5% (vs. 6.0% f'cast).

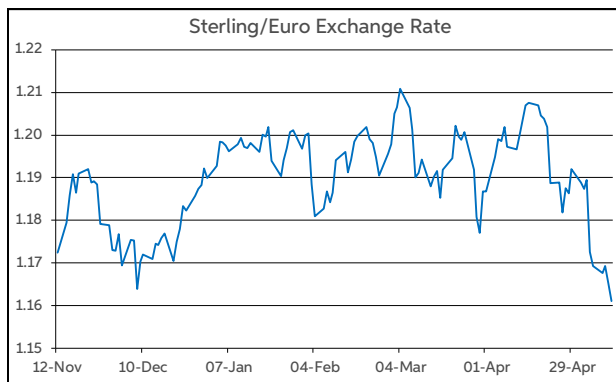
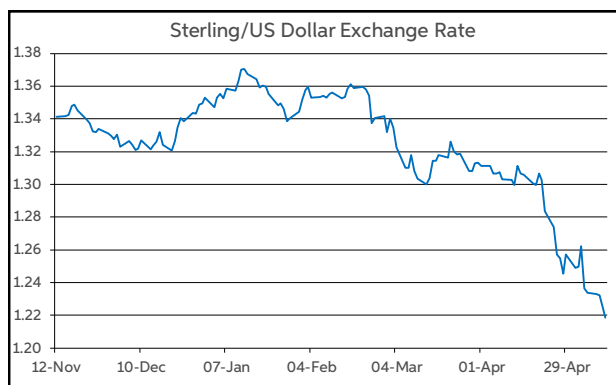
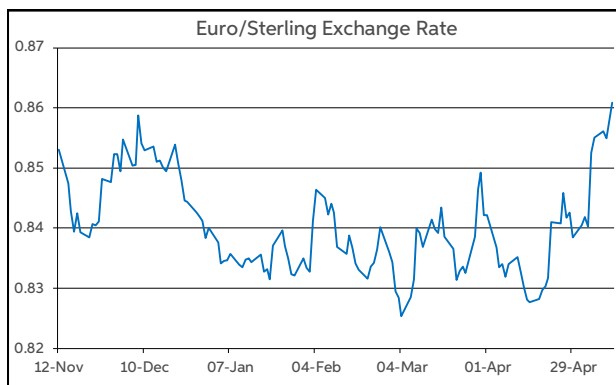
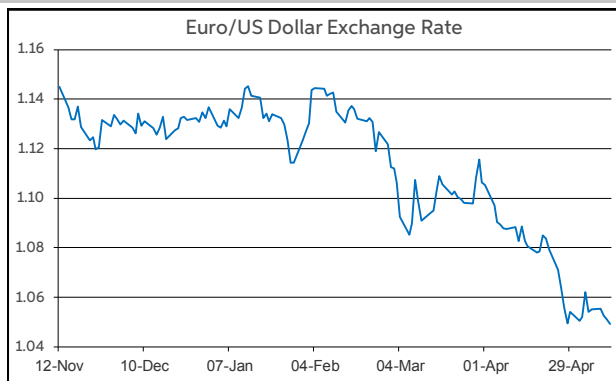
Elsewhere, ECB President Lagarde stated that net asset purchases "should be concluded early in the third quarter", echoing recent remarks from other Governing Council members. President Lagarde also reiterated that the ECB will hike rates "some time" after net asset purchases have ended, meaning a rate hike could be announced at the July meeting. The euro had a limited reaction to the remarks, as a first rate hike was already priced in for July.

On the currency front, the dollar experienced some volatility. It briefly rallied following the US CPI release, but handed back most of its gains before the close in Europe. Overnight though, the dollar regained the ascendancy as risk appetite waned. Meanwhile, sterling was under pressure on the exchanges. The currency has declined by circa 0.7% against the euro and by over 1% versus the dollar over the last 24 hours.

Already this morning, UK GDP has printed below the consensus. Output rose by 0.8% in Q1 (+1.0% f'cast). Worryingly, the monthly estimates of GDP suggest that almost all of the growth came in January, but since then, the economy has stagnated.

As European trading gets underway, the firmer dollar tone sees EUR/USD open near to the \$1.05 mark. Meantime, EUR/GBP opens just above the 86p threshold. GBP/USD is changing hands at \$1.22. There is a quiet data schedule ahead today.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0496	-0.41	-7.67
EUR/GBP	0.8604	0.71	2.43
GBP/USD	1.2198	-1.12	-9.84
GBP/EUR	1.1615	-0.71	-2.37
USD/JPY	129.38	-0.73	12.43
EUR/JPY	135.82	-1.14	3.78

* 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	0.84	1.40	2.46	2.87	2.89
EUR	0.00	-0.55	-0.42	0.21	0.86	1.38
GBP	1.00	0.97	1.24	2.02	2.31	2.28

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

Thursday 12 May 2022
07:23 am



Euro

EUR/GBP	0.8604
EUR/USD	1.0496
EUR/JPY	135.82
EUR/SEK	10.6231
EUR/DKK	7.4402
EUR/NOK	10.2876
EUR/CHF	1.0449
EUR/AUD	1.5231
EUR/HKD	8.2403
EUR/CAD	1.3672

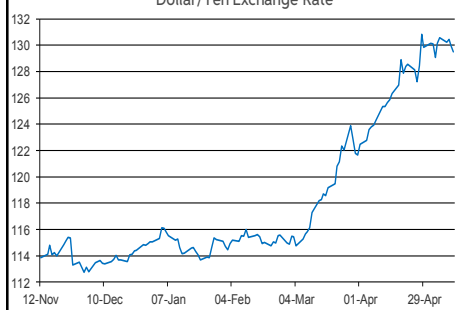
Sterling

GBP/EUR	1.1615
GBP/USD	1.2198
GBP/CAD	1.5886
GBP/NZD	1.9508
GBP/JPY	157.79
GBP/SEK	12.3431
GBP/DKK	8.6427
GBP/NOK	11.9493
GBP/CHF	1.2142
GBP/AUD	1.7696

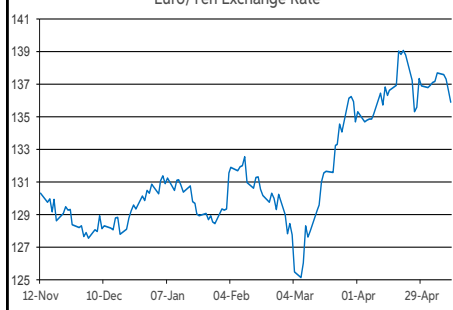
Dollar

USD/JPY	129.38
USD/CAD	1.3024
USD/CHF	0.9954
USD/CNY	6.7669
USD/BRL	5.1375
USD/RUB	65.999
USD/INR	77.573
AUD/USD	0.6891
NZD/USD	0.6251

Dollar/Yen Exchange Rate

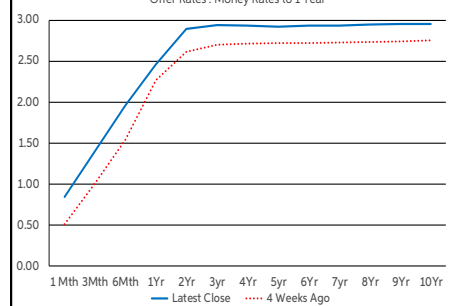


Euro/Yen Exchange Rate



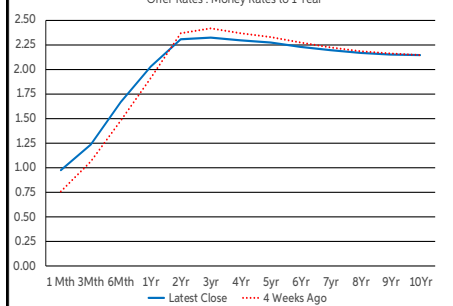
US Swap Curve

Offer Rates : Money Rates to 1 Year



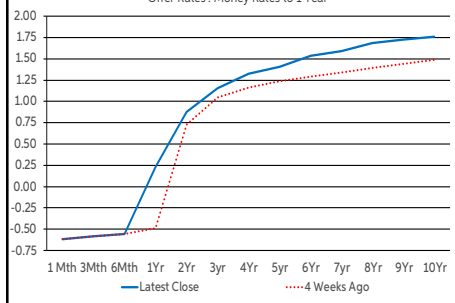
UK Swap Curve

Offer Rates : Money Rates to 1 Year

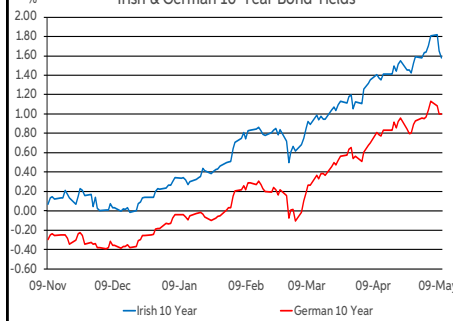


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.92	-6	+22	+141
Germany	1.00	+0	+23	+118
UK	1.83	-2	+3	+86
5 Year Swap %				
US	2.92	-2	+24	+159
Eurozone	1.41	-9	+18	+140
UK	2.27	-3	-5	+100
2 Year Swap %				
US	2.89	+4	+31	+195
Eurozone	0.88	-5	+16	+118
UK	2.30	-2	-6	+111
10 Year Government Bond Spreads to Benchmark bps				
Ireland	62	-10	+2	+19
Belgium	56	-3	+4	+20
France	49	-5	-1	+12
Italy	189	-12	+28	+52
Spain	102	-8	+8	+25
Portugal	111	-6	+10	+44
Greece	251	+1	+43	+102

Commodities

	Close	% Change		
		Day	4 Weeks	End 21
Brent Oil	107.51	+4.93	-1.17	+38.22
West Texas Oil	105.5	+5.78	+1.19	+40.05
Gold \$	1852.1	+0.76	-6.35	+1.30

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