

Risk appetite sours

Investor sentiment was back in a risk averse mood yesterday, after a brief reprieve on Tuesday. The Euro Stoxx 50 declined by 1.4%. Across the Atlantic, the S&P 500 fell by 4%, reversing all of its gains from the day before, and touching a new year to date low in the process. Concerns that the Fed may push the economy into recession by hiking rates aggressively to try and tame inflation weighed on sentiment. Disappointing earnings reports from a few large US retailers were also a headwind to risk appetite.

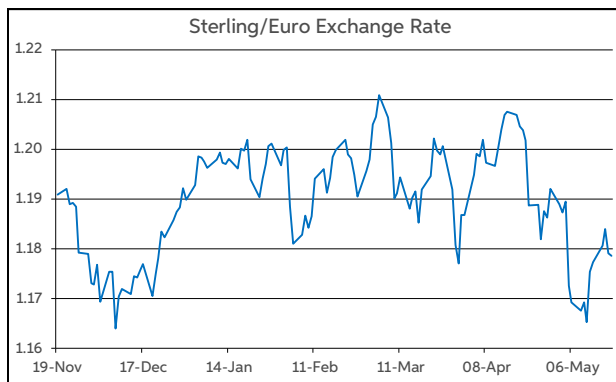
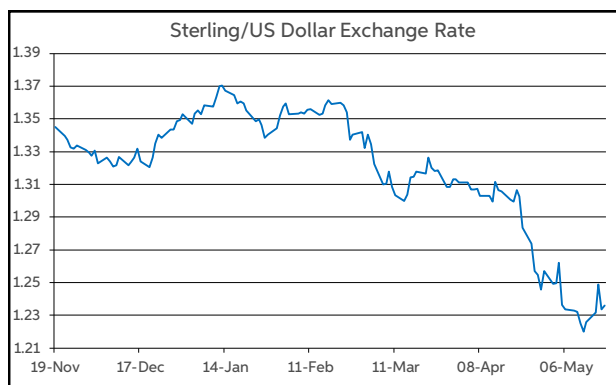
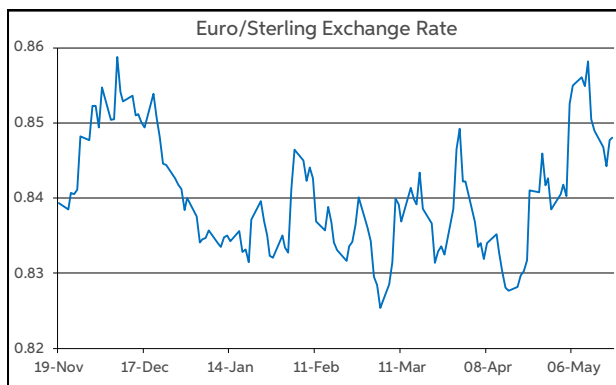
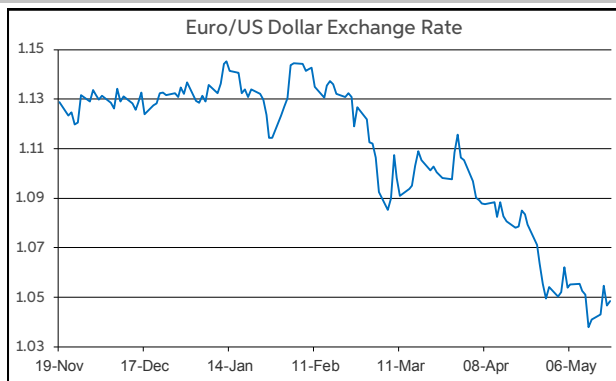
Amid the more risk averse mood on markets, benchmark sovereign bond yields declined in the US, Eurozone and UK. 10-year yields fell by 2-11bps, respectively. However, the policy sensitive 2-year German Bund yield rose by over 10bps following hawkish remarks from some ECB Governing Council members over the past few days. The market is now pricing in 100bps of rate hikes from the ECB before year end.

On currency markets, the action was less eventful. Safe havens held the upper hand amid the weaker tone to risk appetite. The dollar and the yen both registered some slight gains against the euro. Elsewhere, sterling came under downward pressure.

As trading gets underway this morning, the firmer tone to the dollar sees EUR/USD open back below the \$1.05 threshold. Meanwhile, GBP/USD is operating back near the midpoint of the \$1.23-1.24 range. EUR/GBP is changing hands up in the top half of the 84-85p corridor.

Turning to today, there is a sparse data schedule ahead. However, the release of the latest ECB monetary policy account will garner close attention on markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0486	-0.39	-7.76
EUR/GBP	0.8482	0.47	0.98
GBP/USD	1.236	-0.87	-8.64
GBP/EUR	1.1785	-0.47	-0.97
USD/JPY	128.64	-0.36	11.78
EUR/JPY	134.9	-0.76	3.08

* 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	1.45	2.56	2.96	2.95
EUR	0.00	-0.54	-0.38	0.38	0.99	1.42
GBP	1.00	0.98	1.32	2.16	2.45	2.36

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

Thursday 19 May 2022
07:26 am



Euro

EUR/GBP	0.8482
EUR/USD	1.0486
EUR/JPY	134.9
EUR/SEK	10.5088
EUR/DKK	7.4412
EUR/NOK	10.334
EUR/CHF	1.034
EUR/AUD	1.5013
EUR/HKD	8.2304
EUR/CAD	1.3467

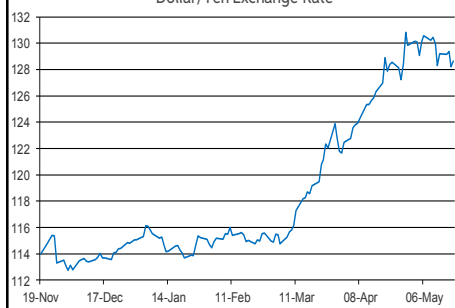
Sterling

GBP/EUR	1.1785
GBP/USD	1.236
GBP/CAD	1.5873
GBP/NZD	1.9522
GBP/JPY	159
GBP/SEK	12.383
GBP/DKK	8.7691
GBP/NOK	12.1751
GBP/CHF	1.2188
GBP/AUD	1.7694

Dollar

USD/JPY	128.64
USD/CAD	1.2842
USD/CHF	0.9862
USD/CNY	6.7609
USD/BRL	4.9685
USD/RUB	63.2
USD/INR	77.685
AUD/USD	0.6984
NZD/USD	0.6328

Dollar/Yen Exchange Rate

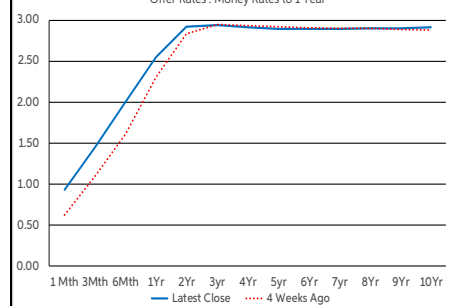


Euro/Yen Exchange Rate



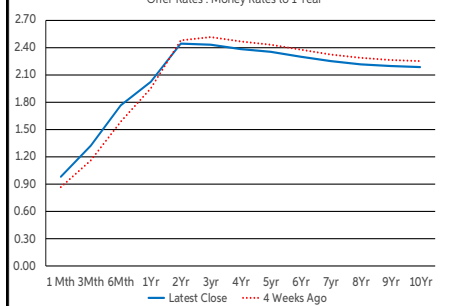
US Swap Curve

Offer Rates : Money Rates to 1 Year



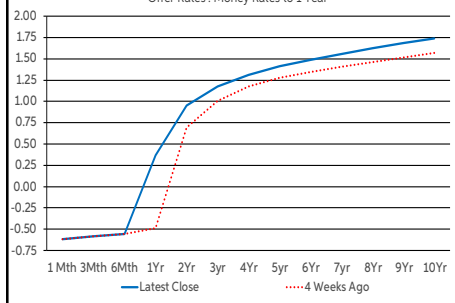
UK Swap Curve

Offer Rates : Money Rates to 1 Year

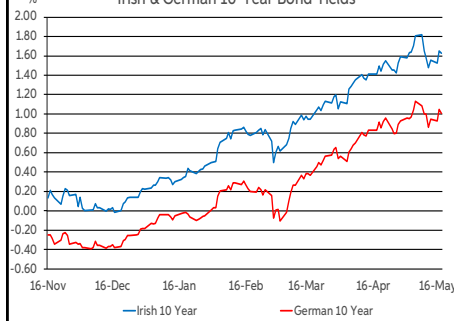


Eurozone Swap Curve

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	2.88	-11	+5	+137
Germany	1.01	-4	+15	+119
UK	1.87	-2	-5	+90
Ireland	1.64	-4	+19	+139
Belgium	1.60	-2	+22	+143
France	1.53	-2	+19	+133
Italy	2.96	-1	+45	+177
Spain	2.11	-1	+30	+151
Portugal	2.15	-4	+29	+167
Greece	3.60	+3	+72	+229
5 Year Swap %				
US	2.89	-8	+1	+156
Eurozone	1.41	+0	+15	+140
UK	2.36	-4	-7	+108
2 Year Swap %				
US	2.92	-3	+13	+198
Eurozone	0.95	+2	+27	+125
UK	2.45	-4	-3	+125
10 Year Government Bond Spreads to Benchmark bps				
Ireland	63	+0	+3	+20
Belgium	59	+3	+7	+23
France	52	+3	+4	+14
Italy	194	+3	+30	+58
Spain	109	+3	+15	+32
Portugal	114	+1	+14	+48
Greece	259	+7	+57	+110

Commodities

	Close	% Change		
		Day	4 Weeks	End 21
Brent Oil	109.11	-2.52	+2.16	+40.28
West Texas Oil	109.67	-2.35	+6.93	+45.59
Gold \$	1815.6	+0.05	-7.24	-0.70

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