

EUR/USD back above \$1.05

There was a positive mood to investor sentiment yesterday. This was reflected in strong gains across the main equity indices. In Europe, the Euro Stoxx 50 index rose by 1.5%. At the closing bell on Wall Street last night, the S&P 500 index was 2% higher on the day.

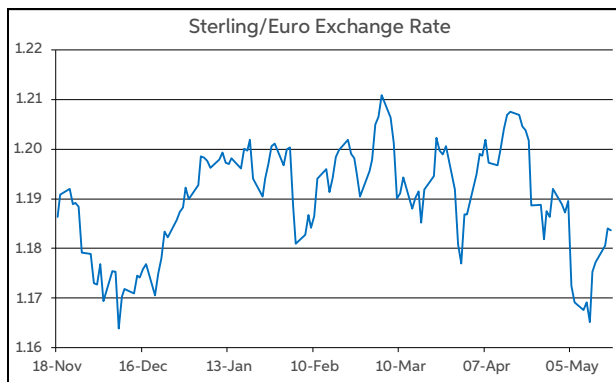
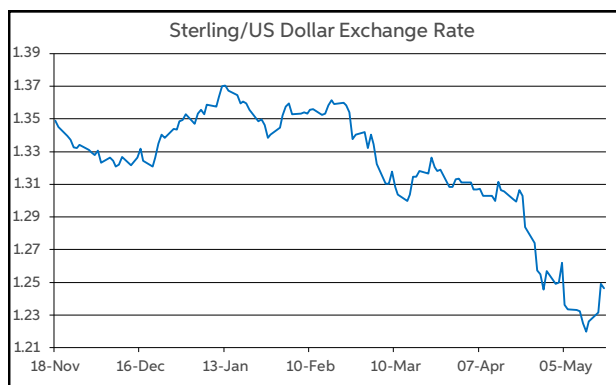
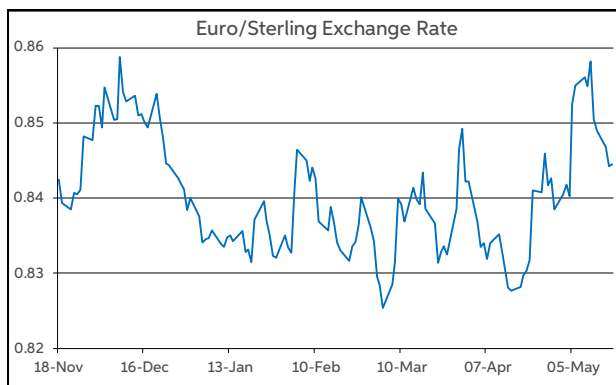
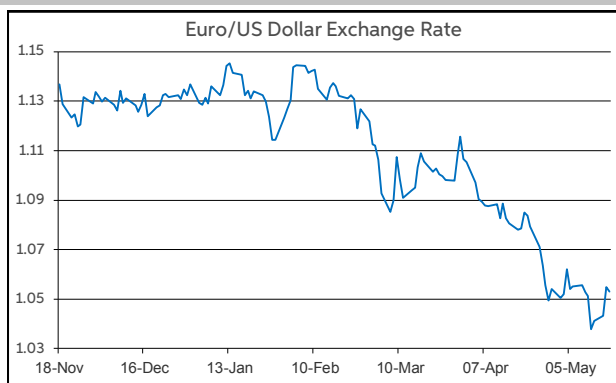
The upbeat mood to risk appetite was against a backdrop of strong US data for April which indicated a healthy start to Q2 for the economy. Retail sales for April rose by 0.9% in the month following a upwardly revised 1.4% (from 0.5%) growth rate in March. Meanwhile, industrial production printed to the upside of forecasts, increasing by 1.1% m/m in April (vs. f'cast for 0.5%).

The 'risk on' tone to market sentiment coincided with the dollar moving back from its recent highs. From a sterling viewpoint, UK labour market updates were helpful to the currency. Meanwhile, the euro was supported by some hawkish comments from ECB board member Klaas Knot, who stated that a 50bps rate hike cannot be ruled out when the central bank starts to raise rates, which is expected to commence in July.

In level terms, EUR/USD has regained some ground up in \$1.05 territory. At the same time, GBP/USD has moved up above the \$1.24 handle. Elsewhere, the action in EUR/GBP has been less eventful over the past 24 hours, with the pair remaining in a tight range near to the midpoint of the 84-85p trading band.

Today's macro diary has already seen UK inflation for April published. The headline CPI rate rose to 9.0% y/y from 7%. The BoE expect inflation to peak above 10% in Q4. The only other release of note due today is US housing starts for April.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0529	0.86	-7.38
EUR/GBP	0.8447	-0.12	0.56
GBP/USD	1.2464	0.99	-7.87
GBP/EUR	1.1833	0.12	-0.56
USD/JPY	129.1	-0.22	12.18
EUR/JPY	135.95	0.64	3.88

* 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	2.55	2.98	3.00
EUR	0.00	-0.56	-0.40	0.34	0.96	1.45
GBP	1.00	0.98	1.32	2.03	2.49	2.40

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

Wednesday 18 May 2022
07:23 am



Euro

EUR/GBP	0.8447
EUR/USD	1.0529
EUR/JPY	135.95
EUR/SEK	10.4718
EUR/DKK	7.4409
EUR/NOK	10.2222
EUR/CHF	1.0473
EUR/AUD	1.4979
EUR/HKD	8.2661
EUR/CAD	1.3497

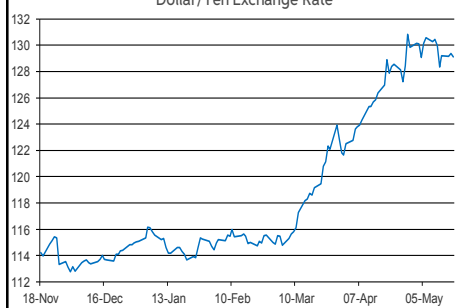
Sterling

GBP/EUR	1.1833
GBP/USD	1.2464
GBP/CAD	1.5978
GBP/NZD	1.9591
GBP/JPY	160.9
GBP/SEK	12.3948
GBP/DKK	8.8077
GBP/NOK	12.0994
GBP/CHF	1.2398
GBP/AUD	1.7733

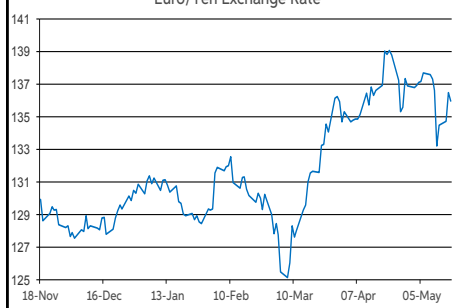
Dollar

USD/JPY	129.1
USD/CAD	1.2818
USD/CHF	0.9944
USD/CNY	6.7441
USD/BRL	4.9387
USD/RUB	63.6
USD/INR	77.56
AUD/USD	0.703
NZD/USD	0.6361

Dollar/Yen Exchange Rate

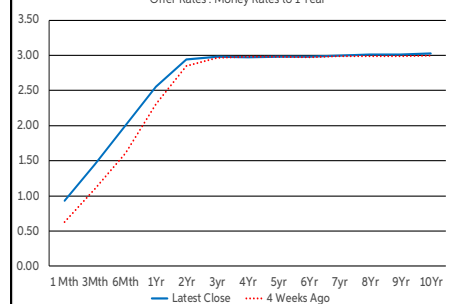


Euro/Yen Exchange Rate



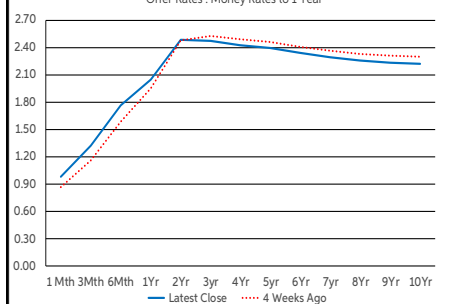
US Swap Curve

Offer Rates : Money Rates to 1 Year



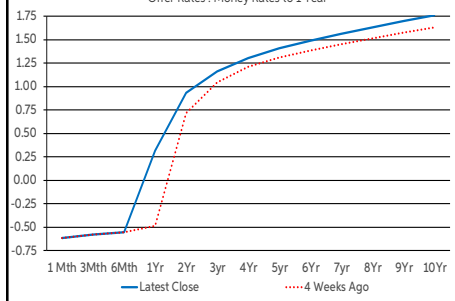
UK Swap Curve

Offer Rates : Money Rates to 1 Year

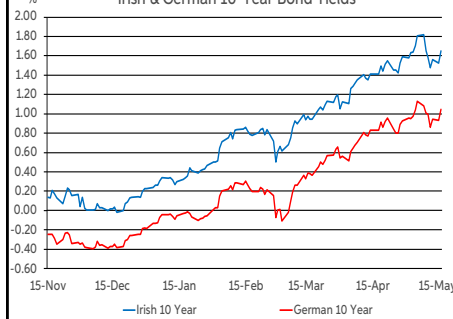


Eurozone Swap Curve

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	3.00	+11	+6	+148
Germany	1.06	+12	+14	+124
UK	1.88	+15	-9	+91
Ireland	1.68	+12	+17	+144
Belgium	1.62	+10	+20	+144
France	1.54	+9	+15	+135
Italy	2.97	+13	+41	+178
Spain	2.12	+12	+26	+153
Portugal	2.19	+12	+29	+170
Greece	3.57	+1	+60	+226
5 Year Swap %				
US	2.98	+14	+4	+165
Eurozone	1.41	+11	+11	+140
UK	2.40	+16	-6	+112
2 Year Swap %				
US	2.94	+11	+13	+200
Eurozone	0.93	+11	+23	+123
UK	2.49	+17	+1	+129
10 Year Government Bond Spreads to Benchmark bps				
Ireland	63	-0	+3	+20
Belgium	56	-2	+6	+21
France	49	-2	+1	+12
Italy	191	+1	+27	+55
Spain	106	-0	+12	+29
Portugal	113	+0	+15	+47
Greece	252	-11	+46	+103

Commodities

	Close	% Change		
		Day	4 Weeks	End 21
Brent Oil	111.93	-2.02	+4.36	+43.91
West Texas Oil	112.31	-1.54	+9.53	+49.09
Gold \$	1814.7	-0.50	-6.93	-0.75

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