

EUR/USD back below \$1.10

There was a generally quiet start to the week on financial markets yesterday. A bland data calendar, which was lacking in any notable releases on either side of the Atlantic, meant there was no macro news to influence market action. Investor sentiment though was holding a positive tone. This was reflected in gains for most of the main equity indices. At the closing bell on Wall Street last night, the S&P 500 was up by 0.8%.

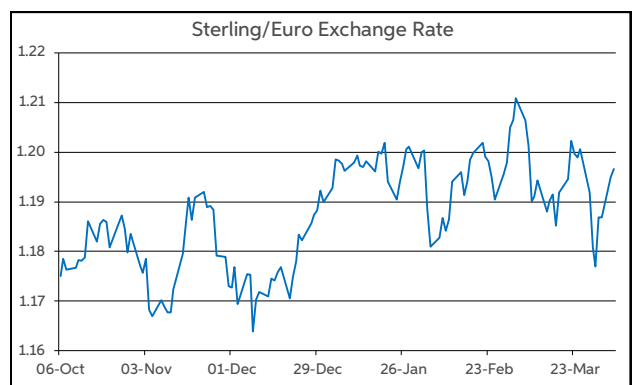
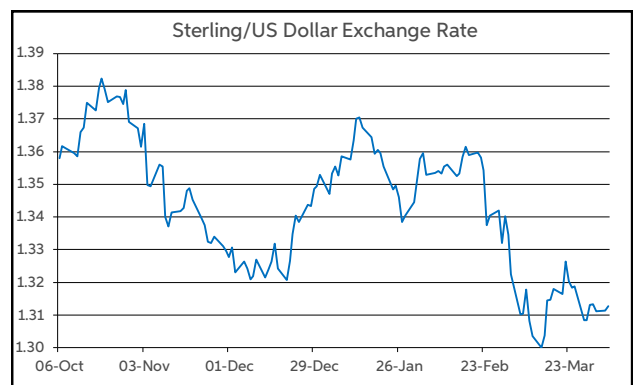
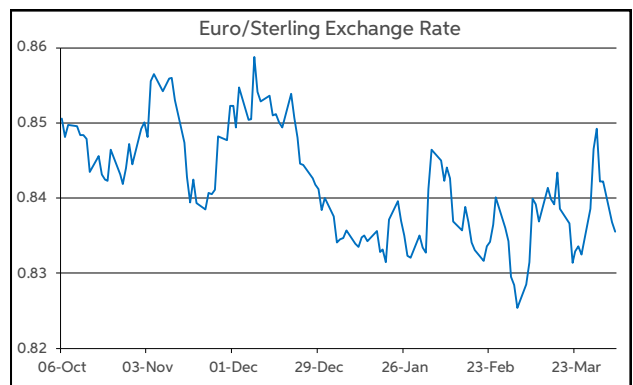
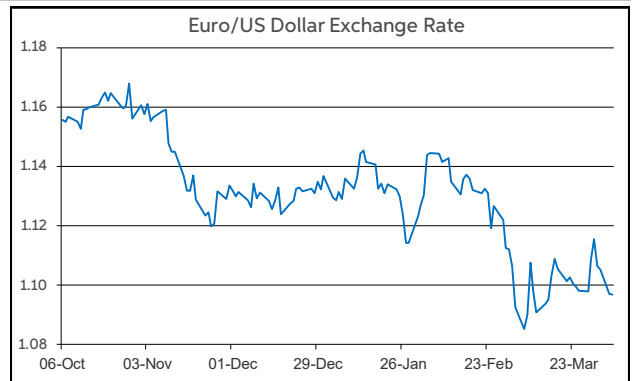
On bond markets, the US yield curve remained inverted yesterday (where the 2-year yield is above the 10-year yield). This is a closely watched development by markets, as historically it has been a harbinger of a recession on the way in the next two years in the US economy.

Currency-wise, the euro found itself on the defensive. This followed gains of around 1% for the single currency last week. There was no specific catalyst for the euro's softer tone yesterday, although a lot of the newsflow was dominated by speculation of tougher sanctions on Russian energy imports.

In level terms, the weaker euro tone over the last 24 hours is reflected in EUR/USD opening this morning back below the \$1.10 threshold. Meantime, EUR/GBP has been unable to maintain its position above the 84p mark, and is trading this morning at the midpoint of 83-84p. Elsewhere on the currency front, GBP/USD remains in a tight range just above the \$1.31 handle.

Looking ahead to today, the macro diary remains relatively quiet. The main highlights are the release of the US non-manufacturing ISM for March as well as the final March readings of the composite PMIs.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.097	-0.69	-3.50
EUR/GBP	0.8354	-0.78	-0.55
GBP/USD	1.3129	0.10	-2.96
GBP/EUR	1.1964	0.79	0.55
USD/JPY	122.46	-0.11	6.41
EUR/JPY	134.36	-0.78	2.67

* 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	0.375	0.43	0.97	2.01	2.66	2.62
EUR	0.00	-0.54	-0.46	-0.07	0.56	0.99
GBP	0.75	0.72	1.05	1.86	2.25	2.12

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

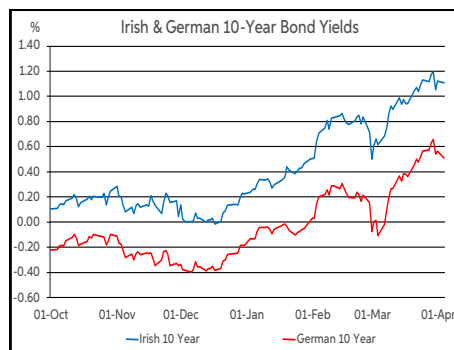
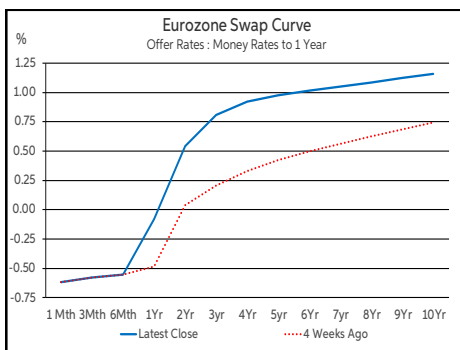
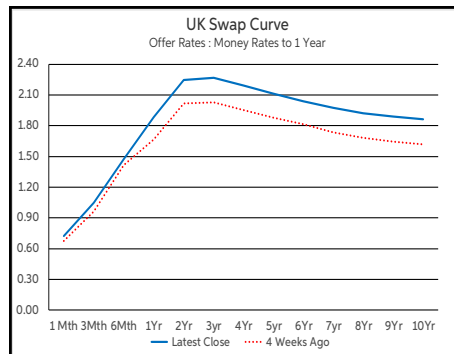
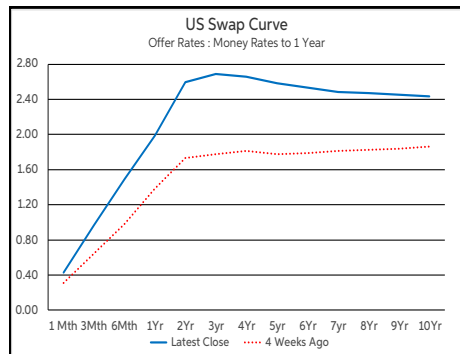
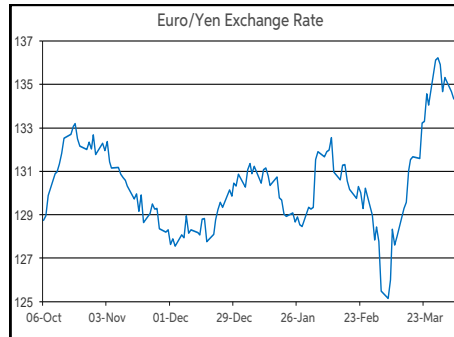
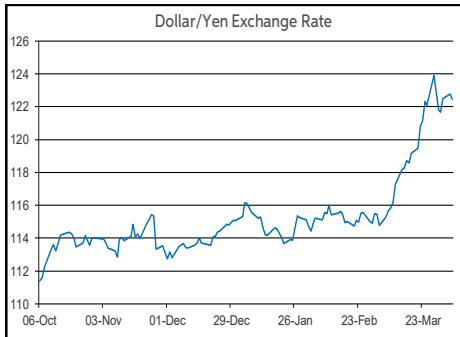
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Tuesday 05 April 2022
06:54 am



Euro		Sterling		Dollar	
EUR/GBP	0.8354	GBP/EUR	1.1964	USD/JPY	122.46
EUR/USD	1.097	GBP/USD	1.3129	USD/CAD	1.2475
EUR/JPY	134.36	GBP/CAD	1.6382	USD/CHF	0.9256
EUR/SEK	10.333	GBP/NZD	1.8802	USD/CNY	6.3625
EUR/DKK	7.4376	GBP/JPY	160.78	USD/BRL	4.5945
EUR/NOK	9.5381	GBP/SEK	12.3653	USD/RUB	81.597
EUR/CHF	1.0157	GBP/DKK	8.8995	USD/INR	75.425
EUR/AUD	1.4405	GBP/NOK	11.4161	AUD/USD	0.7612
EUR/HKD	8.591	GBP/CHF	1.2156	NZD/USD	0.6981
EUR/CAD	1.3688	GBP/AUD	1.7245		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.39	+0	+62	+88
Germany	0.52	-5	+53	+70
UK	1.55	-6	+24	+57
Ireland				
Ireland	1.12	-1	+39	+88
Belgium	1.03	-2	+49	+85
France	1.01	-1	+53	+82
Italy	2.08	-2	+48	+89
Spain	1.46	-3	+45	+86
Portugal	1.37	-3	+48	+88
Greece	2.59	-9	+23	+128
5 Year Swap %				
US	2.58	+2	+84	+125
Eurozone	0.98	-2	+56	+97
UK	2.12	-5	+24	+84
2 Year Swap %				
US	2.60	-5	+90	+165
Eurozone	0.54	-0	+51	+84
UK	2.25	-3	+23	+105
10 Year Government Bond Spreads to Benchmark bps				
Ireland	61	+3	-15	+18
Belgium	51	+3	-4	+16
France	49	+4	+0	+12
Italy	156	+3	-5	+20
Spain	94	+2	-8	+17
Portugal	85	+2	-5	+19
Greece	208	-4	-30	+58

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	107.53	+3.01	-12.73	+38.25
West Texas Oil	103.29	+4.00	-13.39	+37.12
Gold \$	1932.4	+0.42	-3.29	+5.69

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