

Euro on the defensive

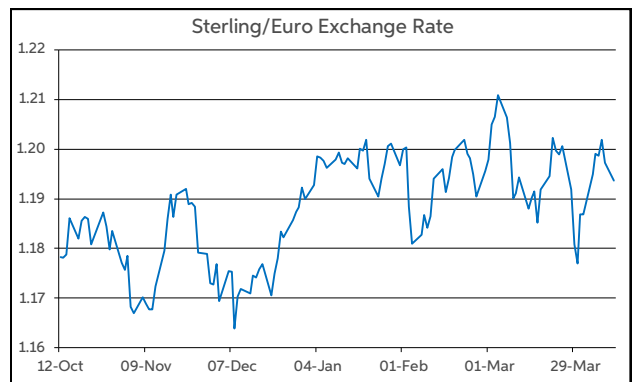
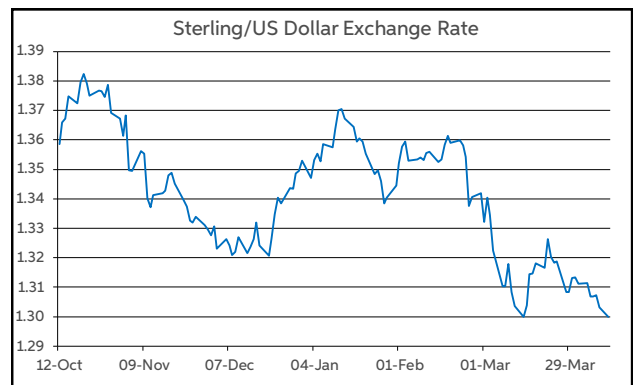
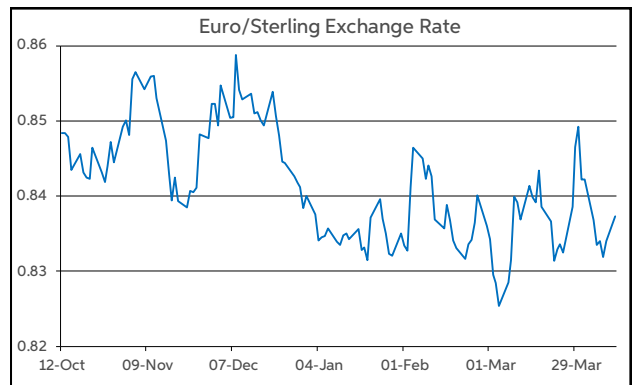
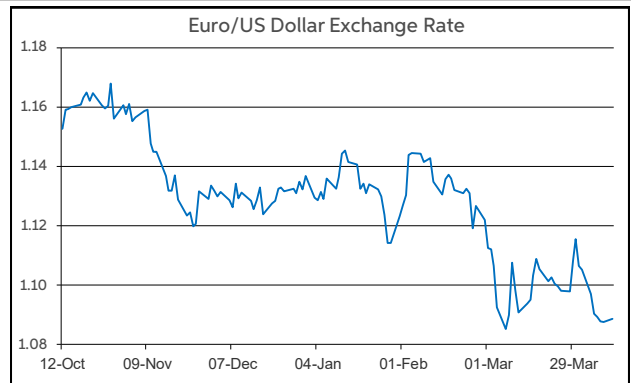
Investor sentiment was in a risk averse mood last week. Risk appetite was impacted by the on-going uncertainty related to the war in Ukraine, including the EU imposing further sanctions on Russian energy imports. At the same time, investors were also digesting a raft of hawkish Fed speakers as well as the FOMC minutes. The main equity indices on both sides of the Atlantic were on the back foot for much of the week. The Euro Stoxx 50 fell by 1.5%, while the S&P 500 registered a 1.3% loss on the week.

On the currency front, the euro found itself on the defensive. This was especially evident against the dollar. The backdrop of Ukraine related uncertainty (given the Eurozone's greater exposure to the region compared to the US), French presidential election and very hawkish Fed expectations combined to push EUR/USD lower.

This was reflected in EUR/USD falling below \$1.09, trading to a low of \$1.084, having started the week above \$1.10. Meanwhile EUR/GBP was unable to maintain its position in 84p territory, although the 83p mark remained in place. Amid the firmer dollar tone, GBP/USD moved downwards to trade in and around \$1.30. Elsewhere, the yen is under pressure, with USD/JPY testing above the significant ¥125 threshold, a key support level since 2002.

Over the weekend, the first round of the French presidential election, saw President Macron and Marine Le Pen make it through, as expected, to the second round on April 24th. For the week ahead, the ECB meeting on Thursday poses some event risk for the euro. With no policy changes anticipated, the focus will be on the press conference as the market looks for clues to ascertain the potential timing of any rate hikes this year. Data-wise, March CPI inflation numbers from the US and UK will be closely followed.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0887	0.31	-4.23
EUR/GBP	0.8373	0.75	-0.32
GBP/USD	1.3	-0.46	-3.91
GBP/EUR	1.1936	-0.74	0.32
USD/JPY	125.21	1.01	8.80
EUR/JPY	136.34	1.32	4.18

* 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	0.51	1.01	2.12	2.81	2.88
EUR	0.00	-0.54	-0.45	0.02	0.75	1.23
GBP	0.75	0.76	1.06	1.90	2.37	2.28

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

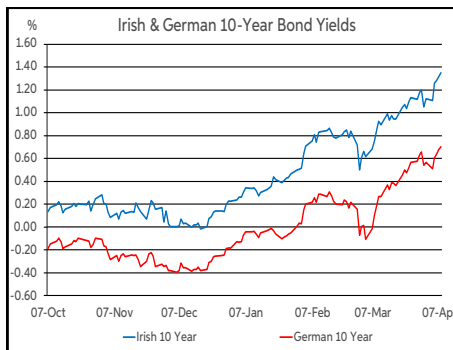
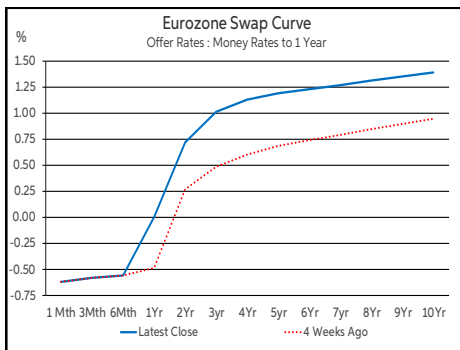
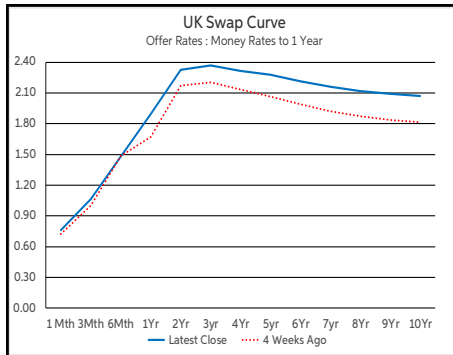
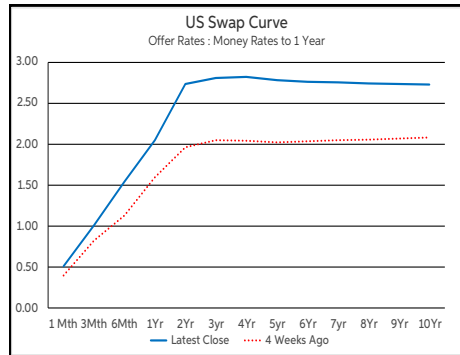
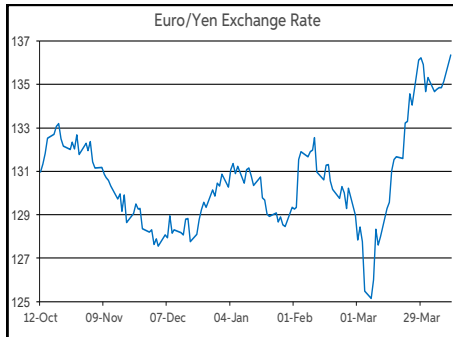
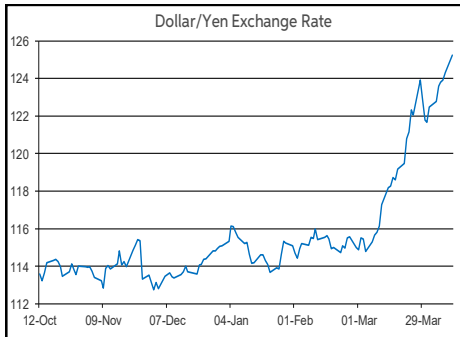
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Monday 11 April 2022
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8373	GBP/EUR	1.1936	USD/JPY	125.21
EUR/USD	1.0887	GBP/USD	1.3	USD/CAD	1.2598
EUR/JPY	136.34	GBP/CAD	1.6376	USD/CHF	0.9358
EUR/SEK	10.2891	GBP/NZD	1.9026	USD/CNY	6.3673
EUR/DKK	7.4374	GBP/JPY	162.77	USD/BRL	4.696
EUR/NOK	9.5012	GBP/SEK	12.284	USD/RUB	79.661
EUR/CHF	1.0192	GBP/DKK	8.878	USD/INR	75.9175
EUR/AUD	1.4636	GBP/NOK	11.3414	AUD/USD	0.7438
EUR/HKD	8.5361	GBP/CHF	1.2169	NZD/USD	0.683
EUR/CAD	1.3716	GBP/AUD	1.7474		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.70	+4	+71	+119
Germany	0.71	+3	+44	+89
UK	1.75	+2	+26	+78
Ireland				
Ireland	1.38	+4	+47	+113
Belgium	1.25	+3	+45	+107
France	1.26	+4	+53	+107
Italy	2.38	+5	+51	+119
Spain	1.71	+4	+46	+111
Portugal	1.64	+4	+51	+115
Greece	2.89	+6	+30	+158
5 Year Swap %				
US	2.78	+7	+78	+145
Eurozone	1.19	+6	+52	+118
UK	2.28	+3	+22	+100
2 Year Swap %				
US	2.73	+7	+81	+179
Eurozone	0.72	+8	+46	+102
UK	2.33	+0	+16	+113
10 Year Government Bond Spreads to Benchmark bps				
Ireland	67	+1	+3	+24
Belgium	54	-0	+1	+18
France	55	+1	+9	+18
Italy	167	+2	+7	+31
Spain	100	+1	+2	+23
Portugal	93	+1	+7	+26
Greece	218	+3	-14	+69

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	102.78	+2.19	-8.78	+32.14
West Texas Oil	98.35	+2.39	-10.03	+30.56
Gold \$	1945.9	+0.71	-1.99	+6.42

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