

Risk averse tone remains on markets

The risk averse tone to investor sentiment from last week remained evident on financial markets yesterday. Equity markets on both sides of the Atlantic moved lower. The Euro Stoxx 50 was down 0.5%, while the S&P 500 fell by 1.7%. A further rise in US Treasury yields, concerns regarding a much closer French presidential election than in 2017, and the backdrop of the war in Ukraine were all factors weighing on risk appetite yesterday.

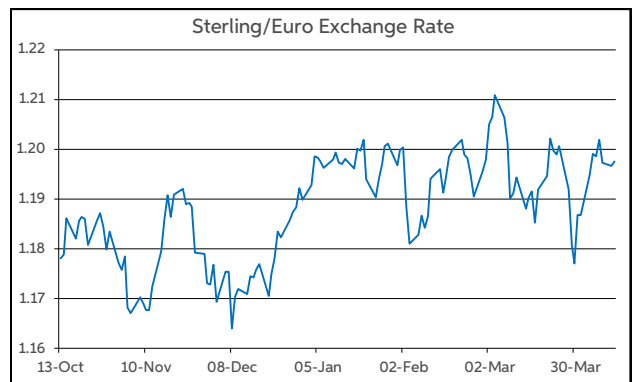
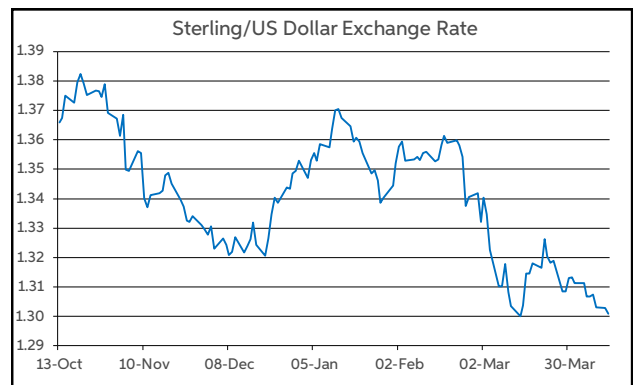
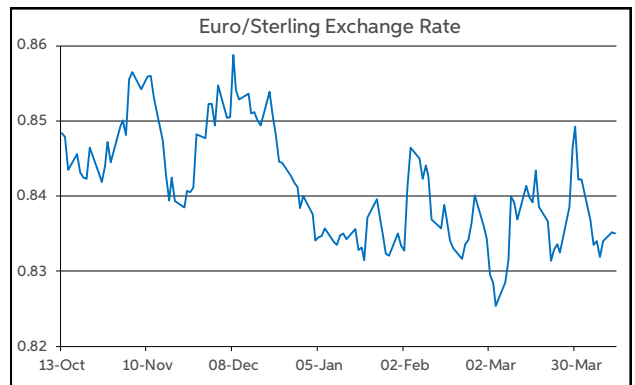
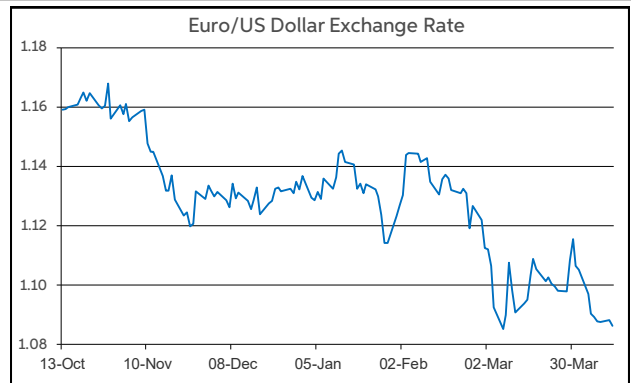
On currency markets the main FX pairs were tightly range bound. Of the limited moves to register, the yen remained under some downward pressure, with the dollar maintaining its position above the key \$125 resistance level. Elsewhere, the euro remained on the back foot.

In level terms, this is reflected by EUR/USD operating back nearer to the midpoint of the \$1.08-1.09 range. EUR/GBP is changing hands at the halfway point of 83-84p. Elsewhere, GBP/USD is trading just above the \$1.30 mark.

Already this morning, UK labour market data has printed broadly in line with the consensus. The unemployment rate fell to its pre-pandemic low of 3.8% in February, as expected. Average earnings were 4% higher year-on-year as anticipated, although this figure is inflated by the winding down of the furlough scheme. Sterling has been little changed following the release so far this morning.

Ahead today, the main highlight will be US CPI inflation data for March. Inflation is already at 40-year highs in the US, and is projected to continue to rise to 8.4% from 7.9%. A number of Fed speakers may also garner attention. In the Eurozone, the German ZEW (April) will feature.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0862	-0.19	-4.45
EUR/GBP	0.835	-0.12	-0.60
GBP/USD	1.3007	-0.08	-3.86
GBP/EUR	1.1971	0.12	0.60
USD/JPY	125.66	0.59	9.19
EUR/JPY	136.53	0.40	4.32

* 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	0.52	1.02	2.11	2.78	2.90
EUR	0.00	-0.54	-0.45	0.02	0.79	1.30
GBP	0.75	0.78	1.09	1.94	2.40	2.37

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

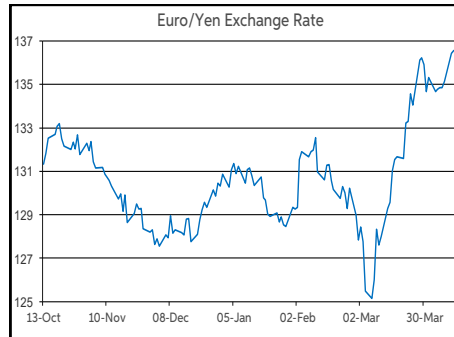
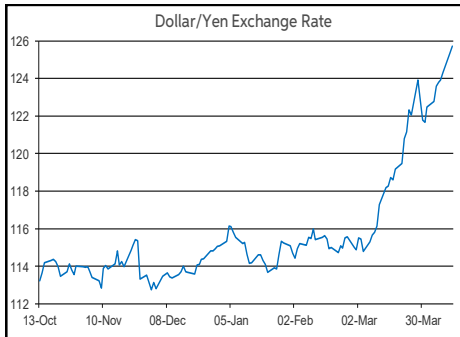
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

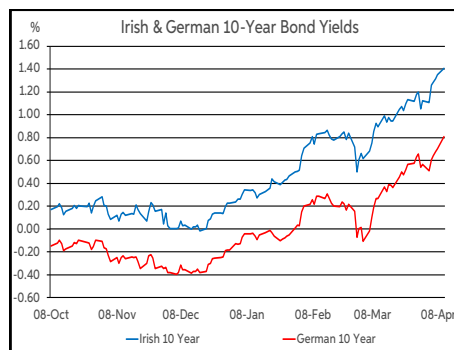
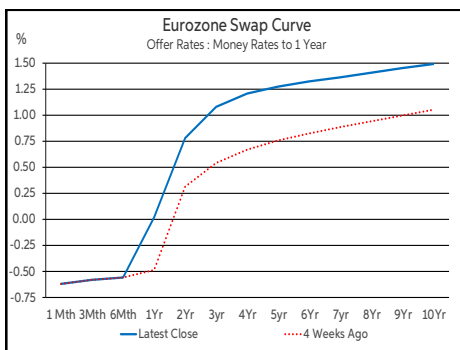
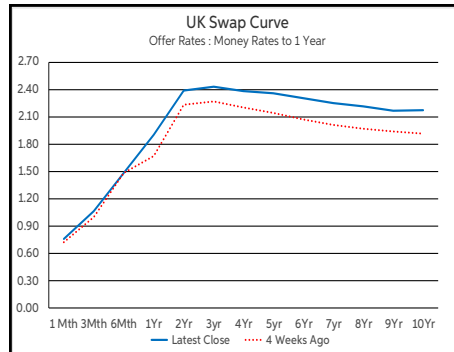
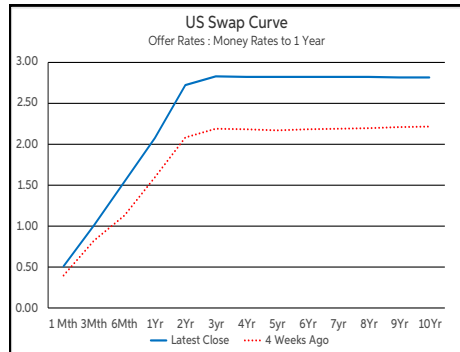
Tuesday 12 April 2022
07:35 am



Euro		Sterling		Dollar	
EUR/GBP	0.8348	GBP/EUR	1.1971	USD/JPY	125.66
EUR/USD	1.0862	GBP/USD	1.3008	USD/CAD	1.2639
EUR/JPY	136.52	GBP/CAD	1.6446	USD/CHF	0.9319
EUR/SEK	10.3408	GBP/NZD	1.9037	USD/CNY	6.3683
EUR/DKK	7.4377	GBP/JPY	163.46	USD/BRL	4.6944
EUR/NOK	9.5755	GBP/SEK	12.377	USD/RUB	82.726
EUR/CHF	1.0127	GBP/DKK	8.9033	USD/INR	76.0925
EUR/AUD	1.4617	GBP/NOK	11.4629	AUD/USD	0.7429
EUR/HKD	8.5141	GBP/CHF	1.2125	NZD/USD	0.6831
EUR/CAD	1.3735	GBP/AUD	1.7506		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.77	+7	+63	+126
Germany	0.81	+10	+44	+99
UK	1.85	+10	+25	+88
5 Year Swap %				
US	2.82	+5	+68	+149
Eurozone	1.28	+9	+53	+127
UK	2.36	+8	+22	+109
2 Year Swap %				
US	2.72	-1	+68	+178
Eurozone	0.78	+6	+47	+108
UK	2.39	+5	+16	+119
10 Year Government Bond Spreads to Benchmark bps				
Ireland	61	-5	-2	+19
Belgium	51	-3	-3	+15
France	50	-5	+4	+13
Italy	165	-2	+6	+29
Spain	95	-5	-4	+18
Portugal	90	-3	+4	+23
Greece	206	-12	-27	+57



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	98.48	-4.18	-7.88	+26.61
West Texas Oil	94.22	-4.20	-8.72	+25.08
Gold \$	1953.4	+0.39	+0.12	+6.84

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