

EUR/USD touches fresh 5 year low

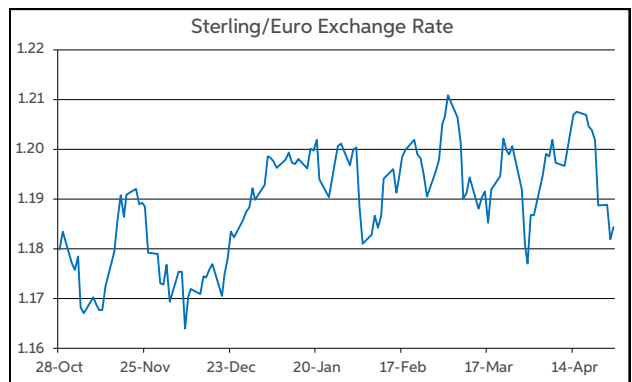
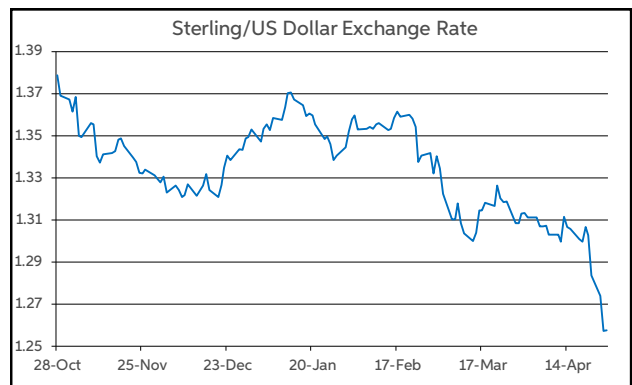
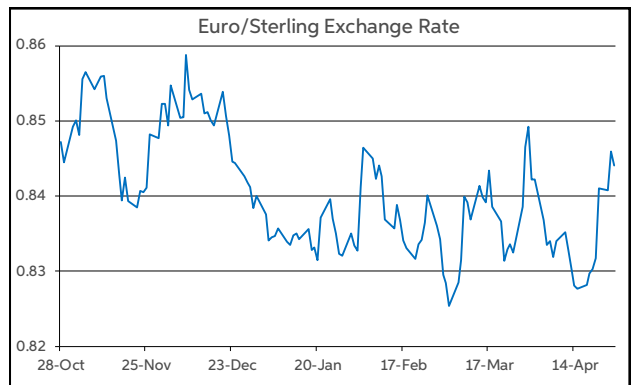
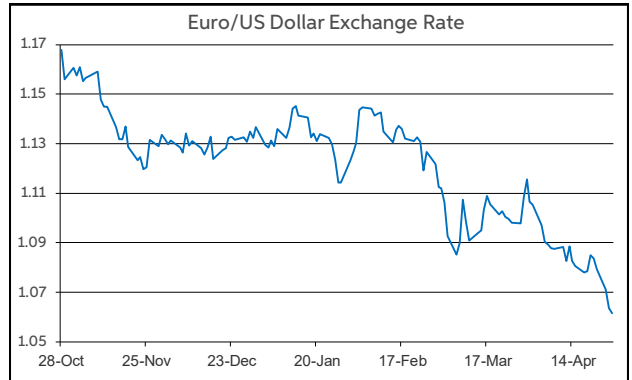
Risk appetite remained under pressure on financial markets yesterday. Concerns regarding the potential of overly aggressive monetary policy tightening and the COVID situation in China continued to weigh on sentiment. The Euro Stoxx 50 fell by 1%. On Wall Street, the S&P 500 lost 2.8%. The risk averse tone continued to be reflected on bond markets also. US Treasury yields fell by a further 5-9bps along the curve.

Currency-wise, the dollar remained firmly in the driving seat. The greenback is currently benefitting from the weaker tone to risk appetite, a hawkish Fed, and concerns regarding growth in China - which is weighing on commodity producing currencies. EUR/USD fell to a fresh five year low, near \$1.062, as Russia escalated threats to stop exporting gas to European countries that refuse to pay for it in rubles. From here, there should be some support for the euro at the \$1.06 level. Barring that, a move down to \$1.04 could provide a sterner test for the dollar, as this has held since 2003, including when tested between 2015-2017.

The dollar's strength has been broad based. This is evidenced by GBP/USD moving down below the \$1.26 threshold, having started the week near \$1.28. Elsewhere, EUR/GBP is currently changing hands just below the midpoint of 84-85p. Meantime, the yen has continued to edge back from the multi-decade lows it fell to recently, as its safe haven status offers some support.

Turning to the day ahead, there is a relatively sparse data schedule on both sides of the Atlantic. Focus is likely to remain on the dollar rally as a result, with its trade-weighted index (a measure of the dollar's value against a basket of other currencies) approaching its highest level since the start of the pandemic in March 2020.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.062	-0.99	-6.58
EUR/GBP	0.8443	0.45	0.51
GBP/USD	1.2576	-1.45	-7.04
GBP/EUR	1.184	-0.45	-0.51
USD/JPY	128.02	-0.05	11.24
EUR/JPY	136	-1.04	3.92

* 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	0.70	1.22	2.35	2.87	2.89
EUR	0.00	-0.50	-0.42	0.16	0.84	1.33
GBP	0.75	0.93	1.21	2.07	2.44	2.32

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

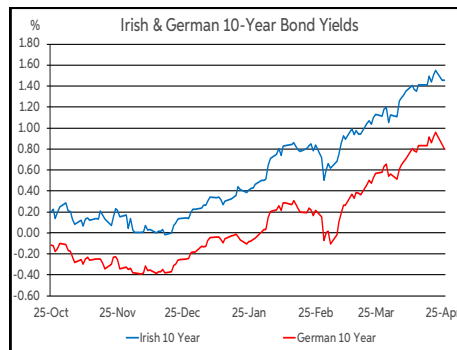
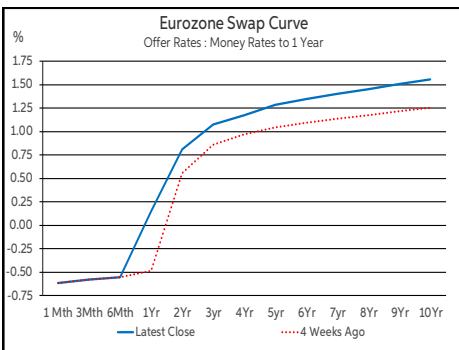
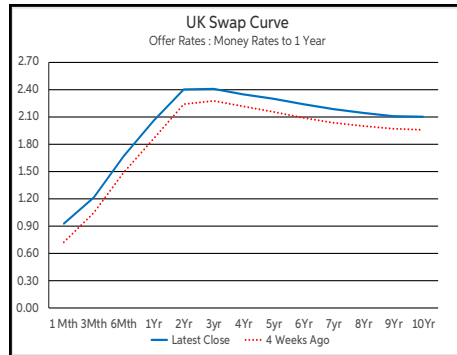
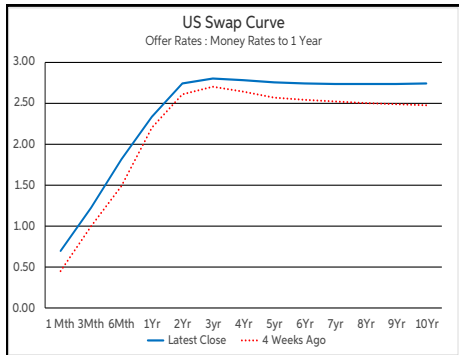
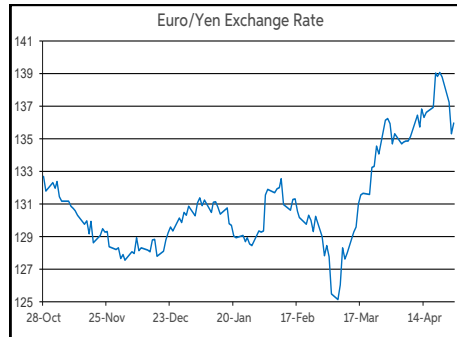
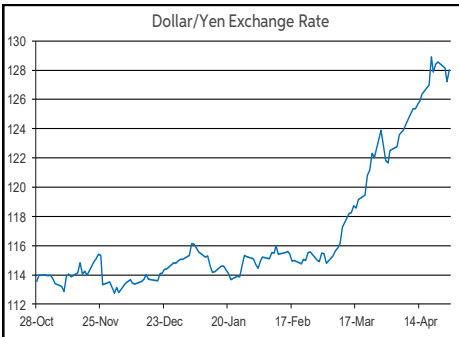
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Wednesday 27 April 2022
07:43 am



Euro		Sterling		Dollar	
EUR/GBP	0.8443	GBP/EUR	1.184	USD/JPY	128.02
EUR/USD	1.062	GBP/USD	1.2576	USD/CAD	1.2797
EUR/JPY	136	GBP/CAD	1.6097	USD/CHF	0.9643
EUR/SEK	10.4376	GBP/NZD	1.9131	USD/CNY	6.5534
EUR/DKK	7.4399	GBP/JPY	161	USD/BRL	4.9987
EUR/NOK	9.8105	GBP/SEK	12.3586	USD/RUB	73.75
EUR/CHF	1.0243	GBP/DKK	8.8092	USD/INR	76.6375
EUR/AUD	1.4805	GBP/NOK	11.6173	AUD/USD	0.7171
EUR/HKD	8.3348	GBP/CHF	1.2131	NZD/USD	0.6572
EUR/CAD	1.3594	GBP/AUD	1.7536		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.73	-9	+33	+122
Germany	0.80	-5	+16	+98
UK	1.80	-4	+15	+83
Ireland				
Ireland	1.46	-0	+26	+122
Belgium	1.36	-0	+26	+118
France	1.31	+0	+25	+112
Italy	2.54	-3	+41	+136
Spain	1.80	-3	+29	+120
Portugal	1.86	-4	+44	+137
Greece	3.00	+5	+14	+169
5 Year Swap %				
US	2.76	-14	+23	+142
Eurozone	1.29	-1	+25	+127
UK	2.30	-5	+15	+103
2 Year Swap %				
US	2.74	-14	+18	+180
Eurozone	0.81	-3	+27	+111
UK	2.40	-4	+17	+121
10 Year Government Bond Spreads to Benchmark bps				
Ireland	66	+4	+10	+23
Belgium	56	+4	+10	+20
France	51	+5	+9	+14
Italy	174	+1	+25	+38
Spain	100	+2	+12	+22
Portugal	106	+0	+28	+39
Greece	220	+10	-2	+71

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	104.99	+2.61	-4.75	+34.98
West Texas Oil	102.62	+3.03	-1.56	+36.23
Gold \$	1905.6	+0.41	-0.71	+4.22

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