

Main FX pairs remain range bound

It was a relatively calm day on financial markets yesterday. In terms of equity markets, the Euro Stoxx 50 finished up 0.3% for the day. Meanwhile, in the US, the S&P 500 gained 0.8% at the close. Elsewhere, oil prices continued to fall, with Brent crude declining by 2% to just below \$91bbl.

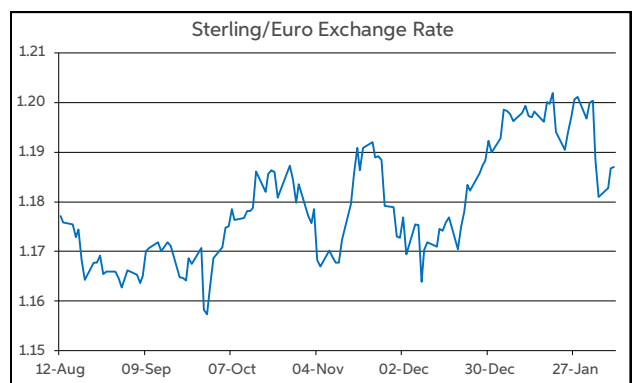
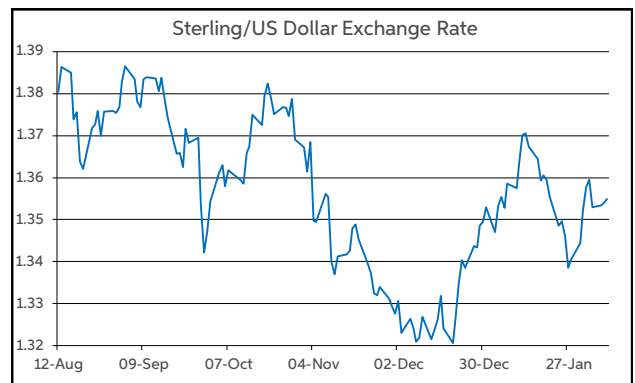
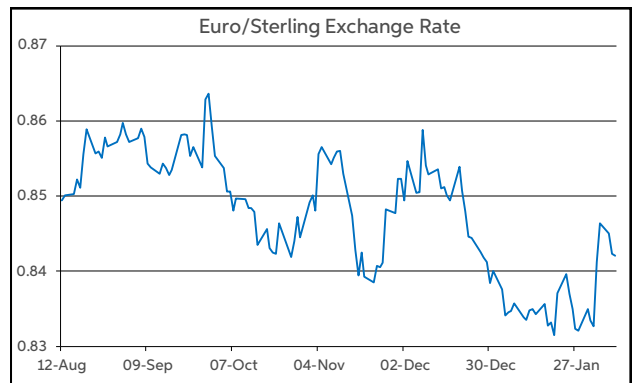
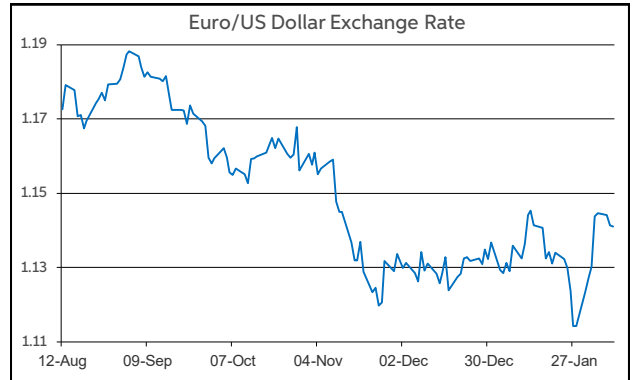
On bond markets, Eurozone yields continued to move higher, rising by 4-6bps. In the UK, gilts rose by 5-8bps along the curve, as the market continued to price in an aggressive course of policy tightening from the Bank of England this year.

Currency-wise, the main FX pairs continued to operate within narrow trading ranges. A sparse data schedule likely contributed to the lacklustre action on the exchanges. Of the limited moves to register, sterling was holding a slightly firmer tone. The currency gained around 0.2% against the euro and the dollar throughout proceedings yesterday.

As trading gets underway this morning, the slightly firmer tone to sterling over the past 24 hours is reflected in EUR/GBP opening nearer to the 84p mark. GBP/USD is operating up at the midpoint of the \$1.35-1.36 range. Elsewhere, EUR/USD starts the day just above the \$1.14 level once again.

Turning to the day ahead, there is a quiet data schedule on both sides of the Atlantic. Meanwhile, there are a number of Fed and ECB officials due to make prepared remarks throughout the day, which may be of interest to currency markets. However, bar any major surprises, the FX moves may remain confined to narrow trading bands.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1412	-0.03	0.39
EUR/GBP	0.8421	-0.28	0.25
GBP/USD	1.3548	0.24	0.14
GBP/EUR	1.1871	0.29	-0.25
USD/JPY	115.46	0.00	0.33
EUR/JPY	131.77	-0.02	0.69

* 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	0.125	0.12	0.36	0.99	1.49	1.87
EUR	0.00	-0.55	-0.53	-0.29	0.15	0.57
GBP	0.25	0.48	0.79	1.56	1.85	1.84

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

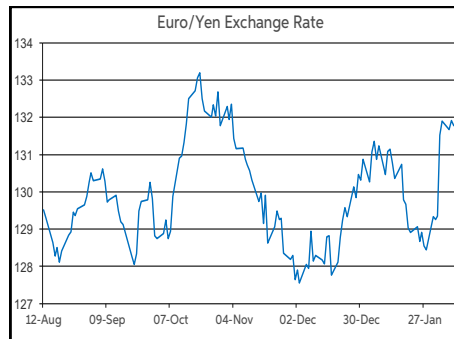
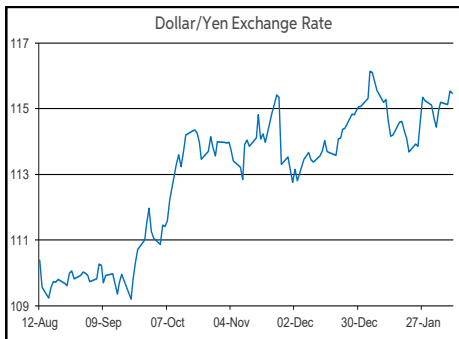
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

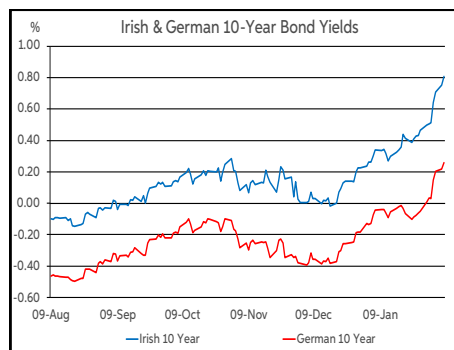
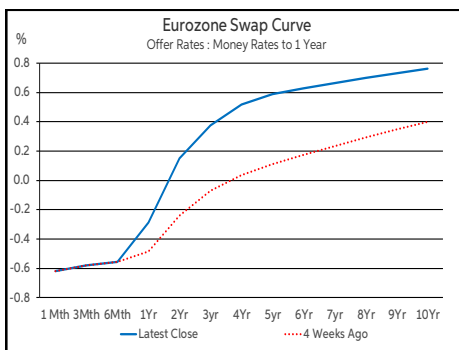
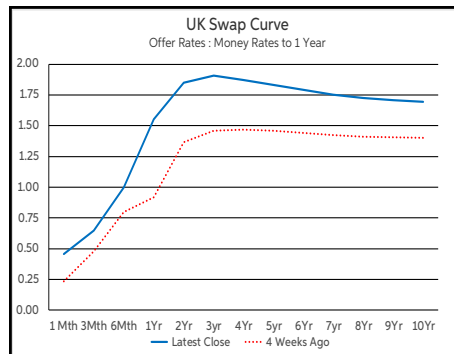
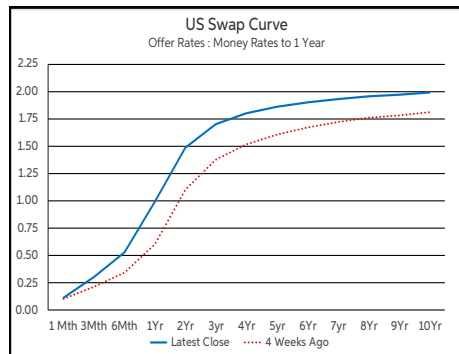
Wednesday 09 February 2022
07:31 am



Euro		Sterling		Dollar	
EUR/GBP	0.8421	GBP/EUR	1.1871	USD/JPY	115.46
EUR/USD	1.1412	GBP/USD	1.3548	USD/CAD	1.2706
EUR/JPY	131.77	GBP/CAD	1.7217	USD/CHF	0.9245
EUR/SEK	10.4318	GBP/NZD	2.0373	USD/CNY	6.3635
EUR/DKK	7.443	GBP/JPY	156.43	USD/BRL	5.2593
EUR/NOK	10.082	GBP/SEK	12.3835	USD/RUB	74.833
EUR/CHF	1.055	GBP/DKK	8.8348	USD/INR	74.7875
EUR/AUD	1.596	GBP/NOK	11.9685	AUD/USD	0.7148
EUR/HKD	8.892	GBP/CHF	1.2526	NZD/USD	0.6648
EUR/CAD	1.4501	GBP/AUD	1.8948		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.97	+5	+22	+45
Germany	0.26	+4	+30	+44
UK	1.49	+8	+32	+52
5 Year Swap %				
US	1.86	+5	+29	+53
Eurozone	0.59	+5	+49	+58
UK	1.83	+8	+38	+56
2 Year Swap %				
US	1.49	+4	+42	+54
Eurozone	0.15	+2	+40	+45
UK	1.85	+5	+49	+66
10 Year Government Bond Spreads to Benchmark bps				
Ireland	56	+2	+15	+13
Belgium	46	+1	+14	+11
France	45	+0	+12	+8
Italy	159	+0	+18	+23
Spain	87	+0	+17	+9
Portugal	80	+0	+16	+14
Greece	205	-10	+43	+56



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	90.78	-2.06	+8.43	+16.71
West Texas Oil	89.32	-2.12	+10.04	+18.57
Gold \$	1825.5	+0.28	+0.19	-0.16

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