

FX majors continue to range trade

There was a positive tone to risk appetite yesterday. Investor sentiment was supported by upbeat earnings reports and signs of some easing of tensions in relation to Ukraine.

This was reflected in strong gains among the main equity indices on both sides of the Atlantic. In Europe, the Euro Stoxx 50 was 1.8% higher on the day. Meantime, at the closing bell on Wall Street last night, the S&P 500 was up by 1.5%.

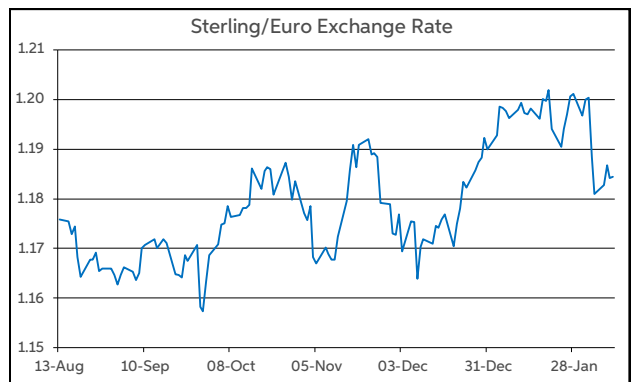
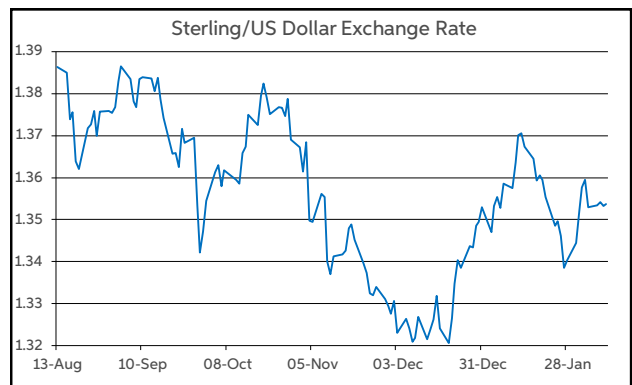
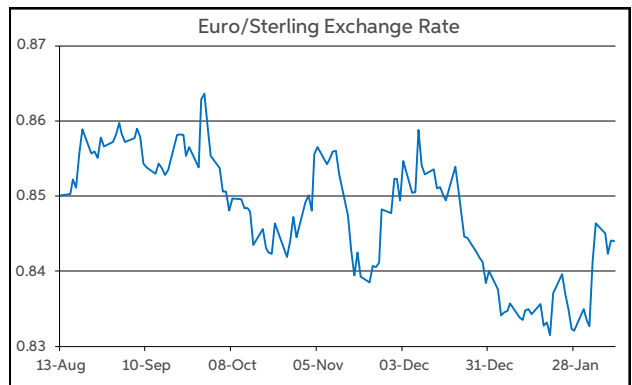
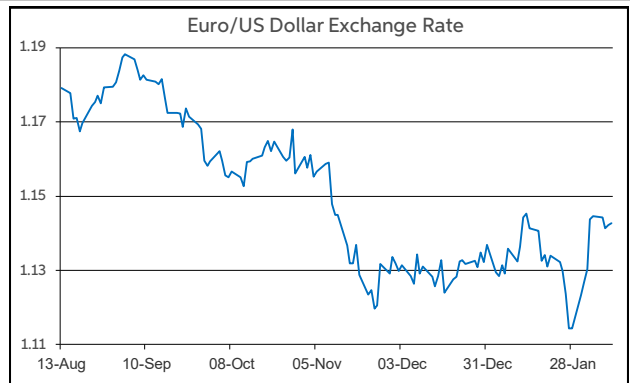
The action on bond markets saw yields generally lower across the board after their recent surge higher. In the 10-year realm, UK gilt yields were down 6bps, while German bunds were 4bps lower.

On the currency front, the moves were once again confined to very narrow ranges. Data-wise, there were no major releases to generate any reaction on the exchanges. Indeed, the only release of any note was Italian industrial production for December, which printed below expectations.

Looking at this morning's opening levels, the main takeaway is that the euro has held onto its post-ECB firmer tone. This is evident in EUR/USD remaining above the \$1.14 threshold and EUR/GBP continuing to hold its position in 84p territory. Elsewhere, GBP/USD once again starts the European session near to the midpoint of the \$1.35-1.36 trading band.

For the day ahead, the European macro schedule remains sparse. In the US though, we do get an important data update, with the release of CPI inflation figures for January. After rising to a 40-year high at end-21, headline inflation is expected to have accelerated further at the start of the year, to 7.3%.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1426	0.04	0.51
EUR/GBP	0.8441	0.18	0.49
GBP/USD	1.3538	-0.13	0.07
GBP/EUR	1.1844	-0.18	-0.49
USD/JPY	115.63	0.14	0.48
EUR/JPY	132.14	0.19	0.97

* 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	0.38	1.02	1.53	1.89
EUR	0.00	-0.55	-0.54	-0.29	0.15	0.56
GBP	0.25	0.48	0.78	1.57	1.85	1.82

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

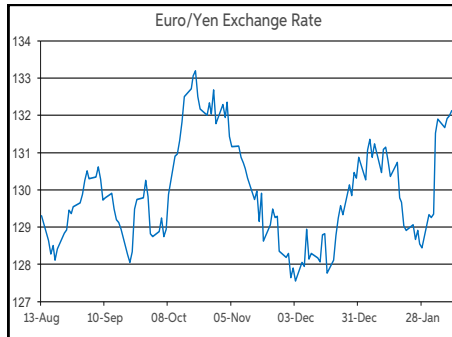
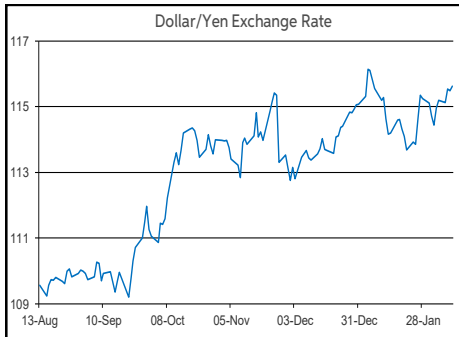
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

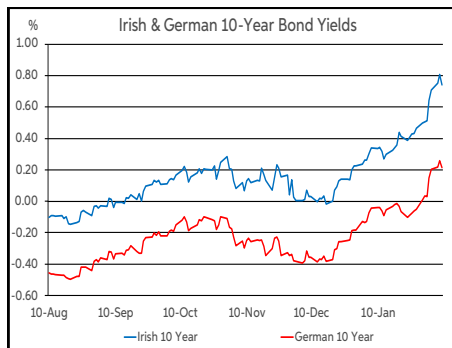
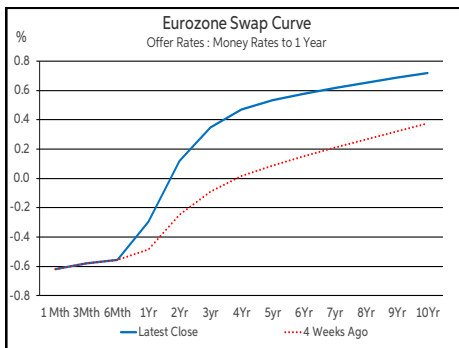
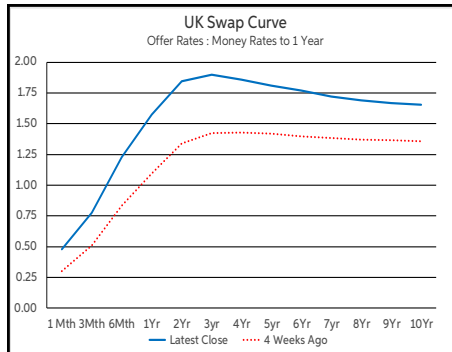
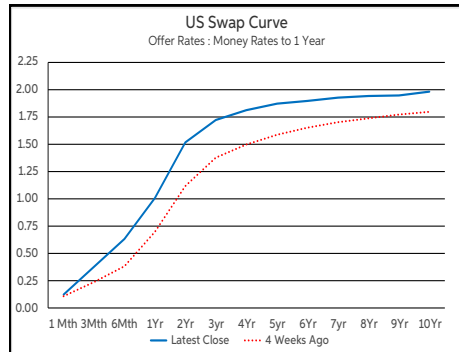
Thursday 10 February 2022
07:21 am



Euro		Sterling		Dollar	
EUR/GBP	0.8439	GBP/EUR	1.1842	USD/JPY	115.63
EUR/USD	1.1426	GBP/USD	1.3535	USD/CAD	1.2668
EUR/JPY	132.14	GBP/CAD	1.7149	USD/CHF	0.9235
EUR/SEK	10.4056	GBP/NZD	2.0235	USD/CNY	6.354
EUR/DKK	7.442	GBP/JPY	156.51	USD/BRL	5.2354
EUR/NOK	10.071	GBP/SEK	12.3242	USD/RUB	74.7113
EUR/CHF	1.0554	GBP/DKK	8.8137	USD/INR	74.953
EUR/AUD	1.5905	GBP/NOK	11.9307	AUD/USD	0.718
EUR/HKD	8.9041	GBP/CHF	1.2502	NZD/USD	0.6687
EUR/CAD	1.4477	GBP/AUD	1.8846		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.95	-2	+19	+43
Germany	0.22	-4	+28	+40
UK	1.43	-6	+29	+46
5 Year Swap %				
US	1.87	+1	+33	+54
Eurozone	0.53	-5	+46	+52
UK	1.81	-2	+40	+54
2 Year Swap %				
US	1.52	+3	+44	+58
Eurozone	0.12	-3	+38	+42
UK	1.85	-0	+51	+66
10 Year Government Bond Spreads to Benchmark bps				
Ireland	54	-1	+15	+11
Belgium	46	-1	+14	+10
France	45	-0	+12	+8
Italy	155	-4	+16	+18
Spain	86	-0	+17	+9
Portugal	80	+0	+18	+14
Greece	225	+20	+66	+75



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	91.55	+0.85	+8.13	+17.70
West Texas Oil	89.57	+0.28	+8.56	+18.90
Gold \$	1832.4	+0.38	+0.39	+0.22

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