

EUR/USD below \$1.14

There was a cautious tone to risk appetite yesterday. The Euro Stoxx 50 finished 0.2% lower, while, the S&P 500 shed 1.8% on the day. On bond markets, US Treasury yields rose by 10-25bps amid hawkish comments from Fed Official Bullard, and higher than expected US inflation figures. The key 10 year US Treasury yield jumped above 2% in the process. Benchmark European yields rose also, with yields 7-10bps higher in the UK and Eurozone.

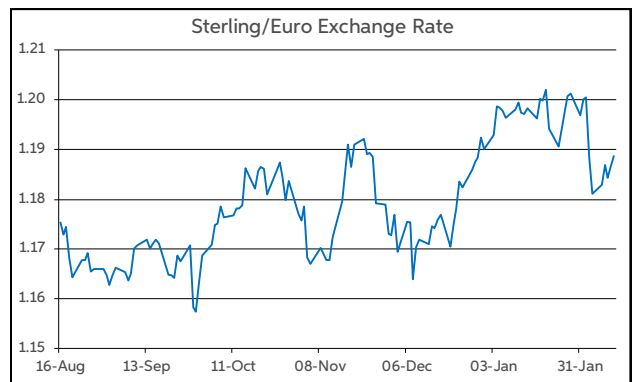
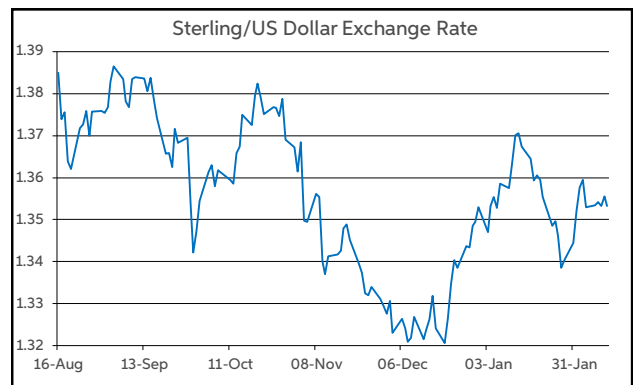
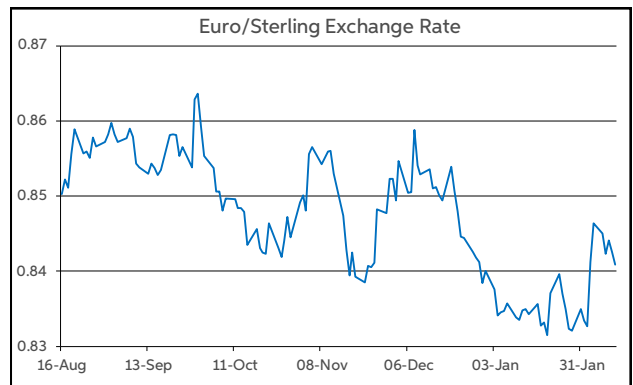
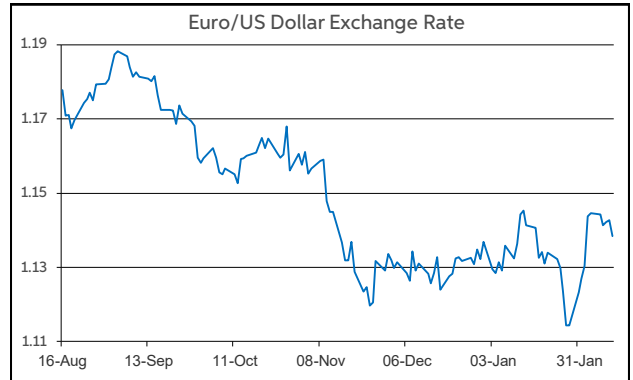
Elsewhere, it was a somewhat volatile day on currency markets. The dollar briefly rallied following the aforementioned US CPI data, which showed inflation rising to 7.5% in January from 7% previously (vs. 7.3% f'cast). EUR/USD fell below \$1.14 in the immediate aftermath. However, the move proved to be short lived, with EUR/USD moving back in the top half of \$1.14-1.15.

Overnight though, some very hawkish comments from Fed official Bullard, calling for 100bps in tightening by July and opening the possibility to an emergency meeting of the Fed to start rate hikes before March saw the dollar regain momentum.

In level terms, EUR/USD opens this morning back below the \$1.14 threshold. GBP/USD is changing hands in the bottom half of \$1.35-1.36, having been in \$1.36 territory for a period yesterday. EUR/GBP continues to operate within 84-85p.

Meanwhile, already this morning UK GDP has printed above the consensus. Output fell by 0.2% in December (vs. 0.5% f'cast). Overall though, output rose by 1.0% in Q4. The data have not impacted sterling so far in earlier trading. Ahead today, the only release of note is US consumer sentiment for February.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1384	-0.37	0.14
EUR/GBP	0.8408	-0.43	0.10
GBP/USD	1.3534	0.04	0.04
GBP/EUR	1.1884	0.43	-0.10
USD/JPY	116.02	0.35	0.82
EUR/JPY	132.11	0.01	0.95

* 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	0.39	1.31	1.83	2.03
EUR	0.00	-0.55	-0.52	-0.25	0.25	0.69
GBP	0.25	0.48	0.78	1.63	1.97	1.99

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

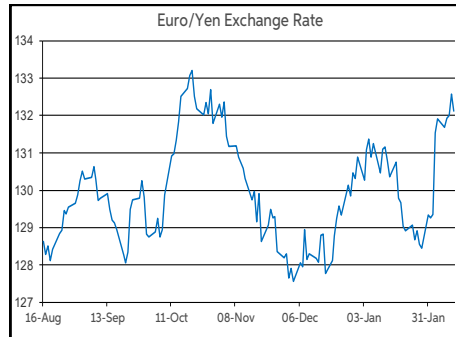
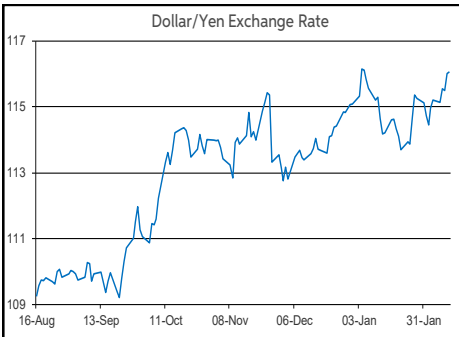
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

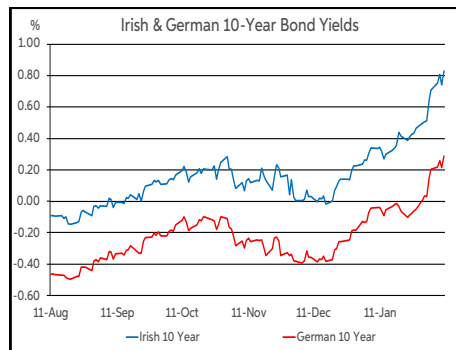
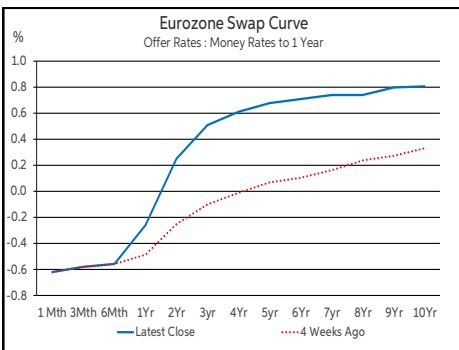
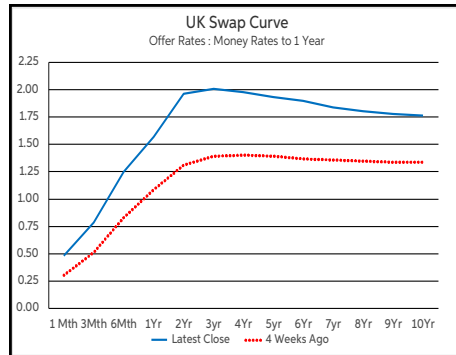
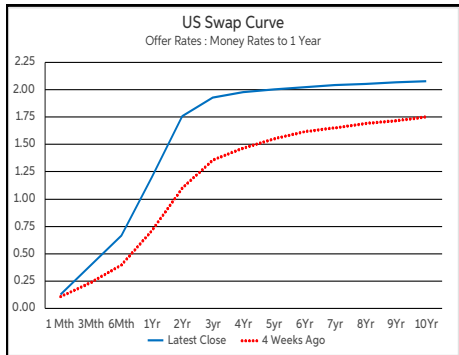
Friday 11 February 2022
07:41 am



Euro		Sterling		Dollar	
EUR/GBP	0.8408	GBP/EUR	1.1884	USD/JPY	116.02
EUR/USD	1.1384	GBP/USD	1.3534	USD/CAD	1.2726
EUR/JPY	132.11	GBP/CAD	1.7226	USD/CHF	0.9272
EUR/SEK	10.6057	GBP/NZD	2.0374	USD/CNY	6.3596
EUR/DKK	7.4396	GBP/JPY	157.02	USD/BRL	5.2496
EUR/NOK	10.0713	GBP/SEK	12.6036	USD/RUB	74.945
EUR/CHF	1.0559	GBP/DKK	8.8437	USD/INR	75.282
EUR/AUD	1.5969	GBP/NOK	11.9719	AUD/USD	0.7127
EUR/HKD	8.8838	GBP/CHF	1.2555	NZD/USD	0.6642
EUR/CAD	1.4489	GBP/AUD	1.8991		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.04	+10	+34	+53
Germany	0.29	+7	+38	+47
UK	1.53	+10	+43	+56
5 Year Swap %				
US	2.00	+13	+48	+67
Eurozone	0.68	+14	+62	+67
UK	1.93	+12	+55	+66
2 Year Swap %				
US	1.75	+24	+69	+81
Eurozone	0.25	+13	+51	+55
UK	1.96	+11	+66	+77
10 Year Government Bond Spreads to Benchmark bps				
Ireland	56	+2	+18	+13
Belgium	47	+1	+16	+11
France	46	+1	+13	+9
Italy	161	+6	+23	+24
Spain	89	+3	+20	+12
Portugal	84	+4	+22	+18
Greece	226	+1	+64	+77



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	91.41	-0.15	+8.22	+17.52
West Texas Oil	89.83	+0.29	+9.59	+19.25
Gold \$	1826.6	-0.32	+0.25	-0.10

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