

Nervy tone to Markets

Investor sentiment remained volatile yesterday. The risk averse mood evident on Wall Street last Friday, linked to heightened geopolitical risk (Ukraine) as well as concerns about higher interest rates carried over into the European session yesterday.

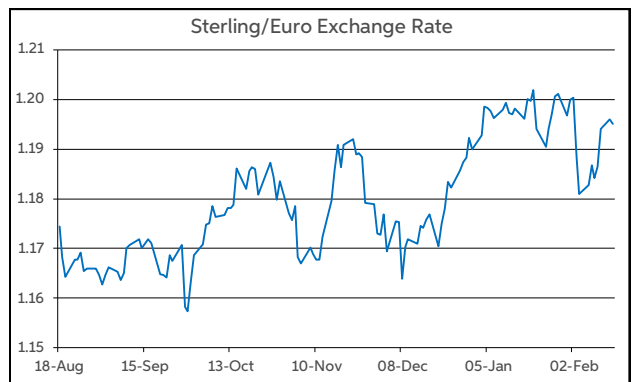
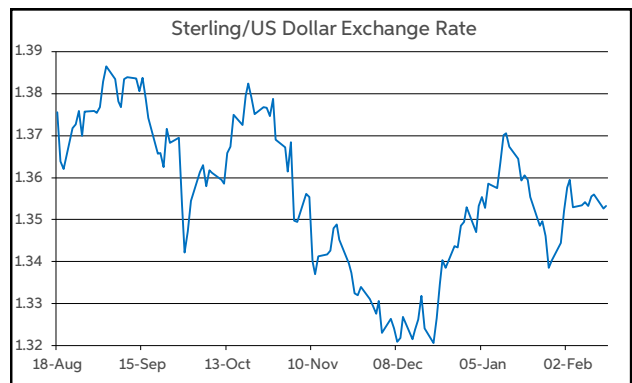
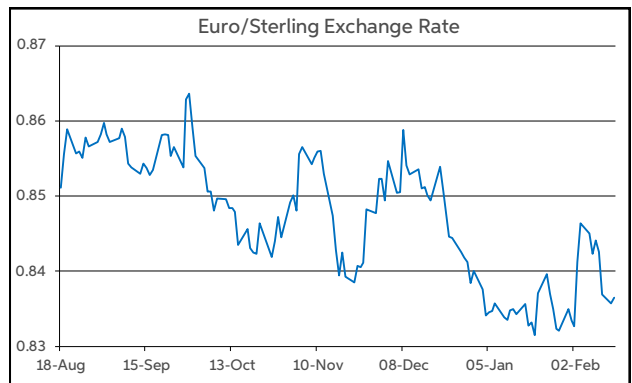
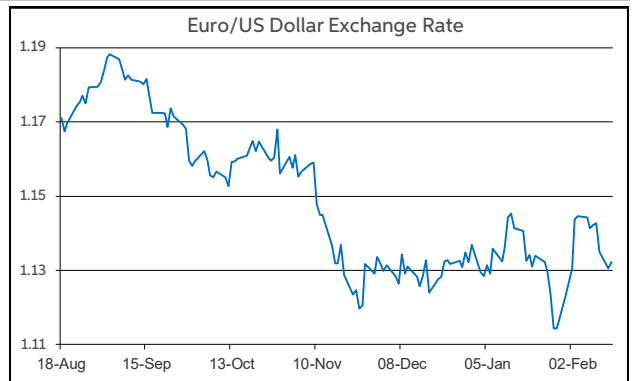
This was evident across the main European equity indices. The Euro Stoxx 50 finished the day with a 2.2% loss. The mood on Wall Street was also cautious. Although some positive Ukraine related newsflow as the US session progressed supported risk appetite. As a result, at the close last night, the S&P 500 was down by a modest 0.4% (albeit this followed a near 2% fall on Friday). On bond markets, 10-year US Treasury yields rose by 7bps to near 2%.

On the currency front, the moves were confined to narrow ranges. The main pairs displayed no major reaction to geopolitical headlines. The dollar had benefitted from some safe haven demand towards the end of last week. Data-wise, yesterday, there were no releases of any note to be of directional impact. Of the limited action to register, the euro retained its softer tone.

In level terms, the EUR/USD pair is pinned down near to \$1.13 as trading gets underway this morning. Meanwhile, EUR/GBP has edged back further from the 84p mark. Elsewhere, GBP/USD continues to change hands below the midpoint of \$1.35-1.36.

Already this morning, we have had a raft of UK labour market data for December/Q4. This included the unemployment rate remaining as expected at 4.1%. Later today, the German ZEW survey (Feb) and US producer price inflation (Jan) are the main data highlights. Market sentiment may remain sensitive to geopolitical newsflows. Therefore, volatile trading could persist.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1322	-0.24	-0.40
EUR/GBP	0.8363	-0.17	-0.44
GBP/USD	1.3536	-0.07	0.05
GBP/EUR	1.1951	0.17	0.44
USD/JPY	115.29	-0.12	0.18
EUR/JPY	130.57	-0.35	-0.23

* 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	0.13	0.46	1.24	1.77	1.99
EUR	0.00	-0.56	-0.52	-0.25	0.23	0.66
GBP	0.25	0.48	0.89	1.82	2.17	2.07

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

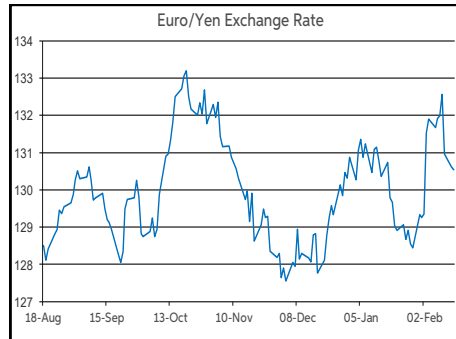
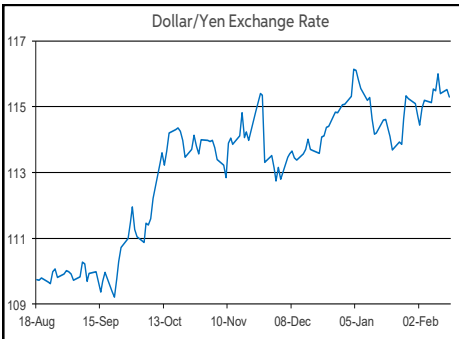
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

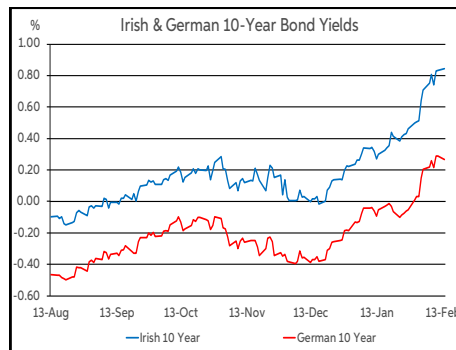
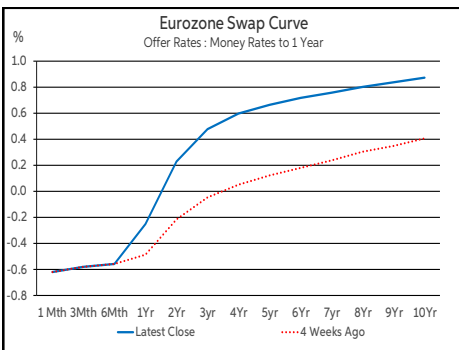
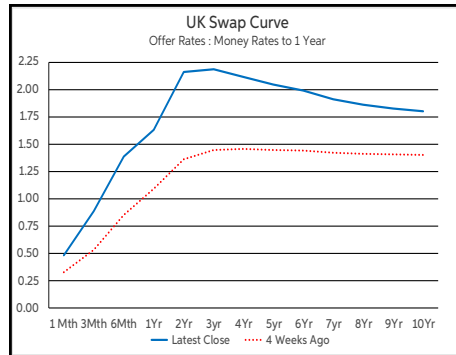
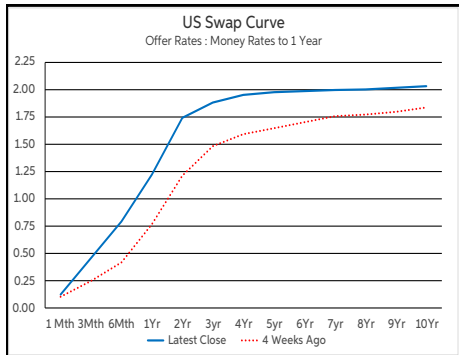
Tuesday 15 February 2022
07:19 am



Euro		Sterling		Dollar	
EUR/GBP	0.8363	GBP/EUR	1.1951	USD/JPY	115.29
EUR/USD	1.1322	GBP/USD	1.3536	USD/CAD	1.2732
EUR/JPY	130.57	GBP/CAD	1.7236	USD/CHF	0.9235
EUR/SEK	10.602	GBP/NZD	2.0423	USD/CNY	6.3479
EUR/DKK	7.4431	GBP/JPY	156.06	USD/BRL	5.2149
EUR/NOK	10.0519	GBP/SEK	12.6742	USD/RUB	76.4616
EUR/CHF	1.0459	GBP/DKK	8.8963	USD/INR	75.609
EUR/AUD	1.5902	GBP/NOK	12.0104	AUD/USD	0.7118
EUR/HKD	8.836	GBP/CHF	1.2502	NZD/USD	0.6627
EUR/CAD	1.4417	GBP/AUD	1.9015		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.99	+7	+19	+47
Germany	0.27	-2	+30	+45
UK	1.59	+4	+40	+61
5 Year Swap %				
US	1.97	+11	+36	+64
Eurozone	0.67	+0	+55	+66
UK	2.05	+7	+60	+77
2 Year Swap %				
US	1.74	+7	+57	+80
Eurozone	0.23	+7	+46	+53
UK	2.16	+10	+80	+97
10 Year Government Bond Spreads to Benchmark bps				
Ireland	59	+3	+21	+16
Belgium	50	+1	+18	+14
France	49	+1	+11	+12
Italy	170	+3	+31	+34
Spain	104	+10	+35	+26
Portugal	90	+2	+29	+24
Greece	236	+3	+73	+87



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	96.48	+2.16	+11.56	+24.04
West Texas Oil	95.52	+2.60	+13.96	+26.80
Gold \$	1870.3	+0.56	+2.82	+2.29

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