

Firmer tone to market sentiment

There was an improvement in risk appetite yesterday. This was linked to signs of an easing of geopolitical tensions in relation to Ukraine. The firmer tone to sentiment was evident on equity markets, with all the main indices moving higher. In Europe, the Euro Stoxx 50 was up 2% on the day. At the closing bell on Wall Street last night, the S&P 500 had gained 1.6%.

Bond markets experienced rising yields amid the 'risk-on' mood to sentiment. This included the 10-year US Treasury yield back above the 2% threshold and the German 10-year Bund yield rising above 0.3%. Meanwhile, oil prices fell back from their 7-year highs.

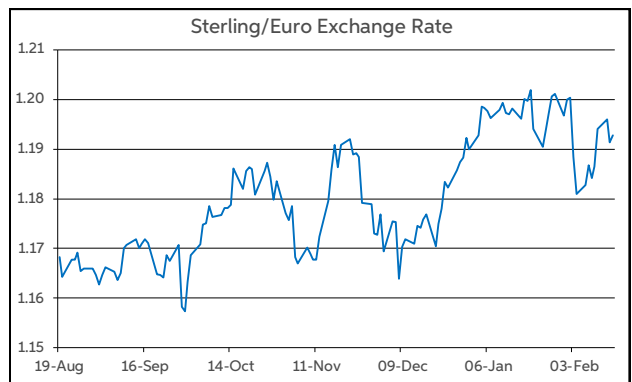
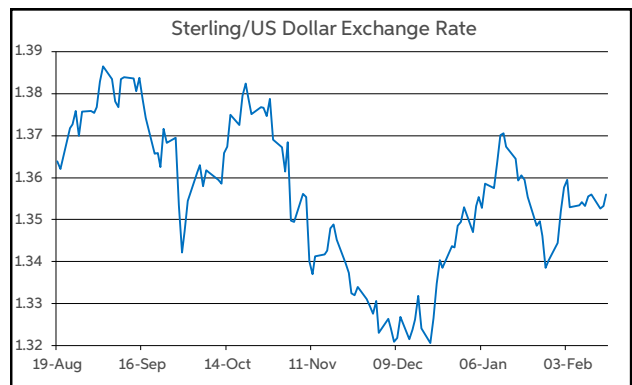
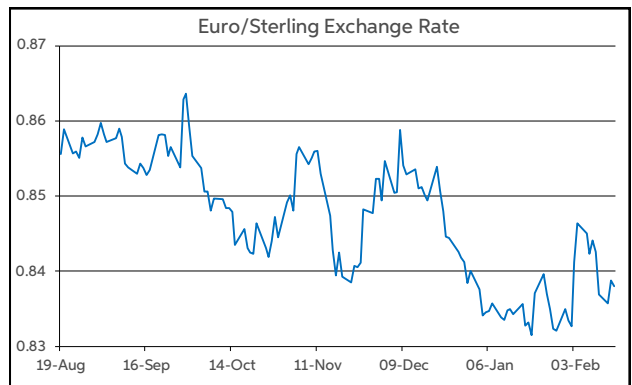
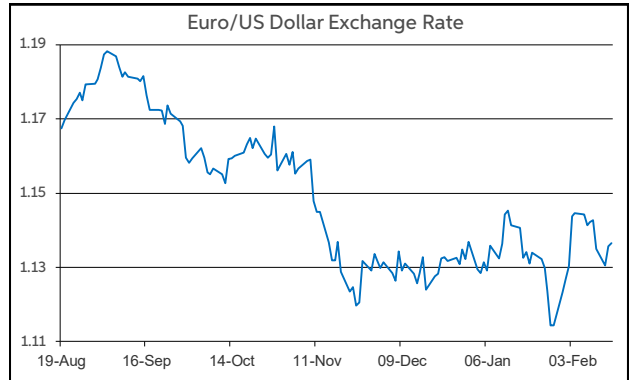
Currency-wise, the action amongst the majors was once again characterised by narrow range trading. Of the limited moves to register, the euro was modestly firmer coinciding with the aforementioned firming in risk appetite.

As trading gets underway this morning, EUR/USD has edged above the midpoint of \$1.13-1.14. Meantime, EUR/GBP has regained some ground within the 83-84p band and opens this morning up nearer to 84p.

Markets will continue to pay close attention to geopolitical developments today. However, there is also a busy macro diary to digest. Already this morning, we got UK CPI inflation figures for January, with the headline number printing at 5.5% (f'cast 5.4%).

Later today, we get US retail sales data (Jan). Meantime, the Fed minutes (after European close) will garner close attention amid on-going market speculation about the magnitude of the rate hike expected from the central bank in March.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1364	0.42	-0.04
EUR/GBP	0.838	0.20	-0.24
GBP/USD	1.3558	0.22	0.21
GBP/EUR	1.1926	-0.20	0.24
USD/JPY	115.68	0.31	0.52
EUR/JPY	131.48	0.74	0.47

* 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	0.47	1.24	1.77	2.02
EUR	0.00	-0.55	-0.52	-0.26	0.21	0.65
GBP	0.25	0.48	0.89	1.80	2.16	2.09

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

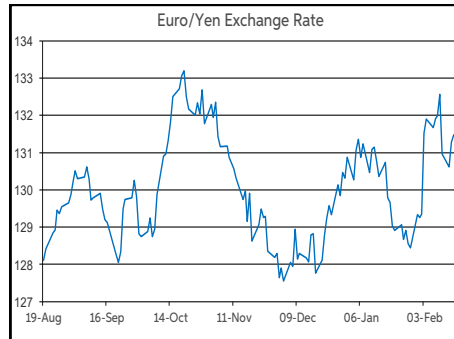
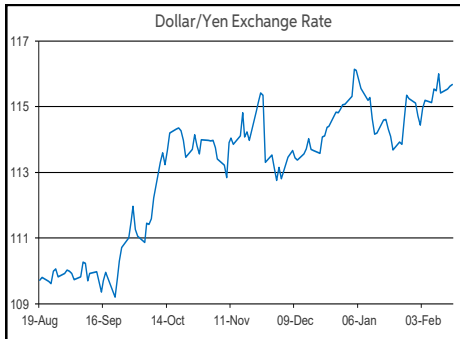
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

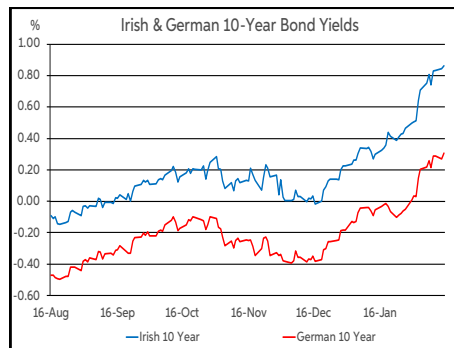
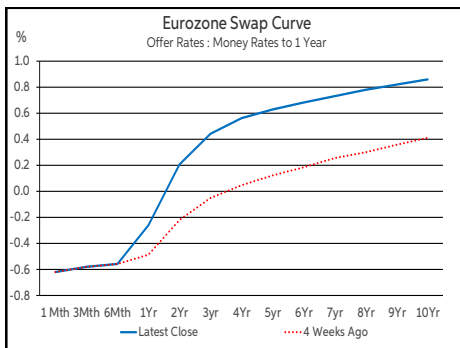
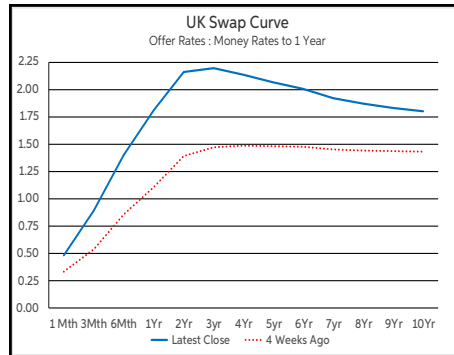
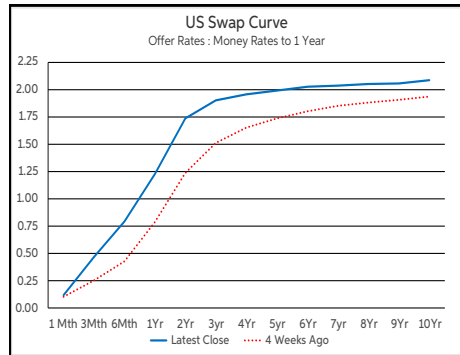
Wednesday 16 February 2022
07:16 am



Euro		Sterling		Dollar	
EUR/GBP	0.838	GBP/EUR	1.1926	USD/JPY	115.68
EUR/USD	1.1364	GBP/USD	1.3558	USD/CAD	1.2703
EUR/JPY	131.48	GBP/CAD	1.7224	USD/CHF	0.9249
EUR/SEK	10.5247	GBP/NZD	2.0377	USD/CNY	6.3338
EUR/DKK	7.4411	GBP/JPY	156.84	USD/BRL	5.159
EUR/NOK	10.1002	GBP/SEK	12.5573	USD/RUB	74.9742
EUR/CHF	1.0511	GBP/DKK	8.8756	USD/INR	74.9848
EUR/AUD	1.5841	GBP/NOK	12.0426	AUD/USD	0.7174
EUR/HKD	8.8647	GBP/CHF	1.2541	NZD/USD	0.6653
EUR/CAD	1.4437	GBP/AUD	1.89		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.04	+6	+17	+53
Germany	0.31	+4	+33	+49
UK	1.58	-0	+36	+61
5 Year Swap %				
US	1.99	+1	+27	+65
Eurozone	0.63	-4	+52	+62
UK	2.07	+2	+59	+79
2 Year Swap %				
US	1.74	-0	+52	+79
Eurozone	0.21	-3	+44	+51
UK	2.16	-0	+77	+97
10 Year Government Bond Spreads to Benchmark bps				
Ireland	57	-2	+20	+15
Belgium	49	-1	+18	+14
France	47	-2	+9	+10
Italy	166	-4	+26	+30
Spain	101	-3	+31	+23
Portugal	89	-2	+27	+22
Greece	240	+4	+76	+91



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	93.28	-3.32	+6.59	+19.93
West Texas Oil	92.07	-3.61	+7.79	+22.22
Gold \$	1853.1	-0.92	+2.18	+1.35

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.