

FX range trading continues

There was a risk averse tone to investor sentiment yesterday. Risk appetite soured as tensions between the US and Russia regarding Ukraine increased. The Euro Stoxx 50 finished down 0.6%. On Wall Street, the S&P 500 shed 2.1%. Amid the risk-off mood on financial markets, benchmark sovereign bond yields moved lower across the board.

Currency-wise though, the main pairs continued to operate within tight ranges. Of the limited moves to register on the exchanges, sterling retained a slightly firmer tone. The currency edged higher against the euro and the dollar yesterday.

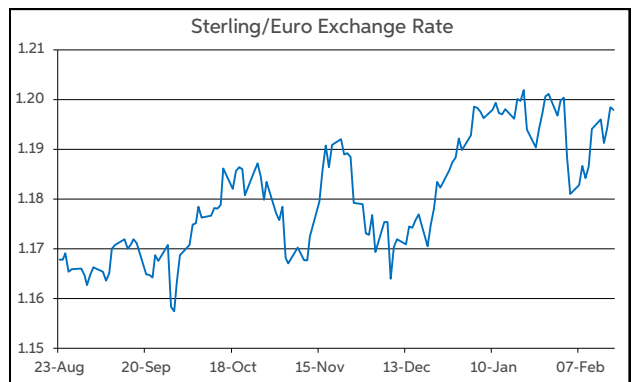
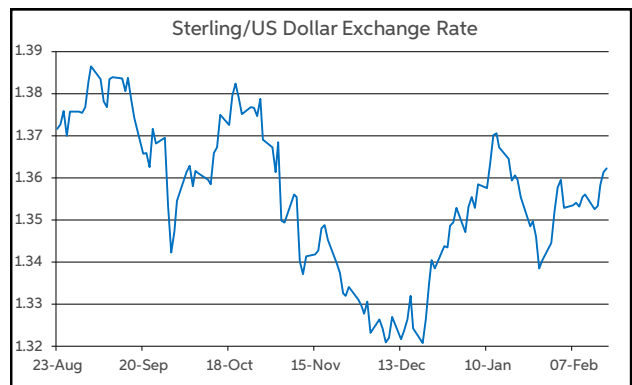
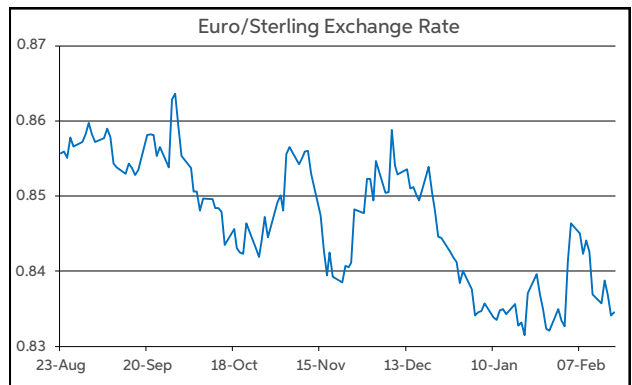
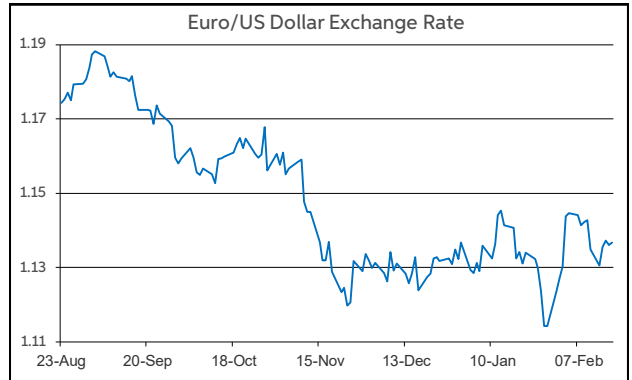
Elsewhere, ECB Chief Economist Lane noted that inflation expectations have risen towards the central bank's 2% target, which should allow for a "gradual normalisation of monetary policy." In the US, a number of Fed officials spoke yesterday in favour of a more aggressive tightening of monetary policy.

In level terms, the slightly firmer tone to sterling is evidenced by EUR/GBP opening just below the midpoint of 83-84p. Cable (GBP/USD) is operating above the \$1.36 handle. EUR/USD is changing hands in the top half of the \$1.13-1.14 range.

Already this morning, UK retail sales have printed above the consensus, rising by 1.9% in January (vs. +1.0% f'cast). The news has provided some support for sterling in early trading.

Ahead today, the main data highlight is Eurozone consumer confidence (Feb). Meanwhile, a plethora of key Fed officials are due to make prepared remarks. However, general market sentiment may remain reactive to geopolitical developments.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1368	0.11	0.00
EUR/GBP	0.8343	-0.20	-0.68
GBP/USD	1.3624	0.30	0.70
GBP/EUR	1.198	0.20	0.68
USD/JPY	115.06	-0.14	-0.02
EUR/JPY	130.81	-0.04	-0.05

* 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	0.14	0.49	1.19	1.71	1.95
EUR	0.00	-0.56	-0.52	-0.33	0.14	0.57
GBP	0.25	0.48	0.87	1.69	2.00	1.91

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

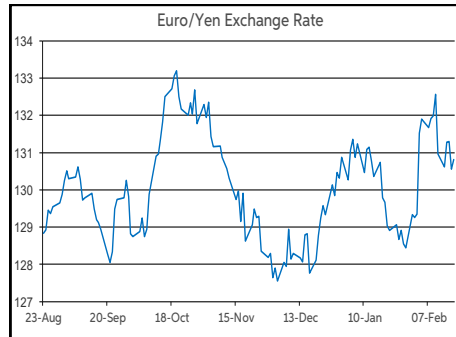
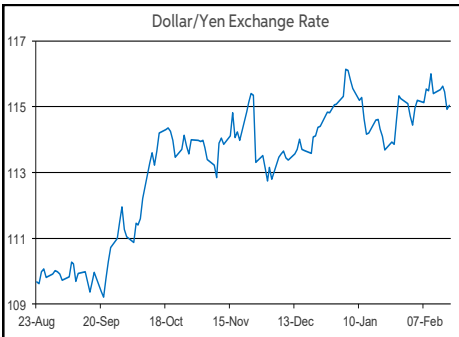
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

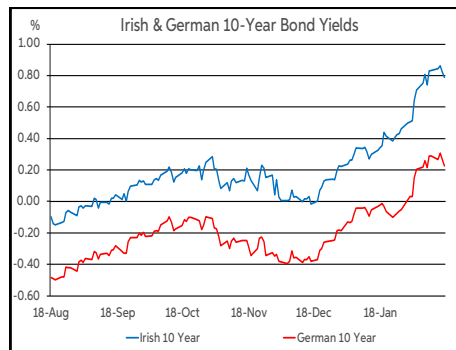
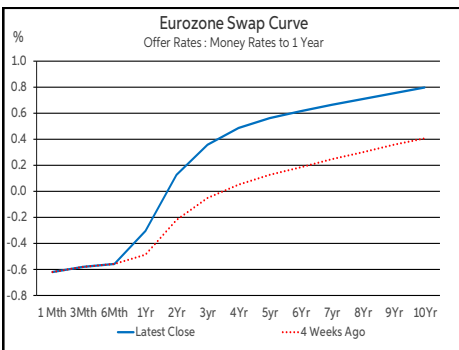
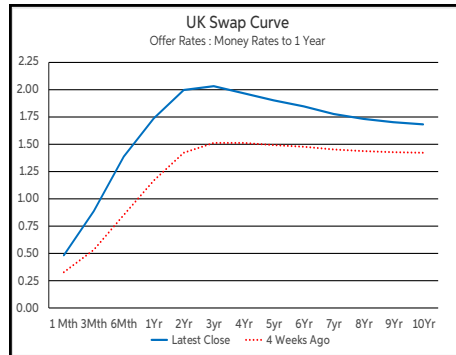
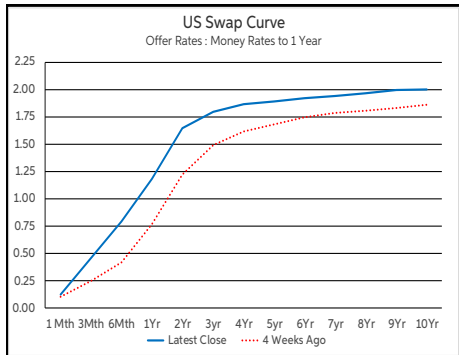
Friday 18 February 2022
07:34 am



Euro		Sterling		Dollar	
EUR/GBP	0.8345	GBP/EUR	1.1979	USD/JPY	115.05
EUR/USD	1.1368	GBP/USD	1.3623	USD/CAD	1.2684
EUR/JPY	130.81	GBP/CAD	1.728	USD/CHF	0.9203
EUR/SEK	10.5567	GBP/NZD	2.028	USD/CNY	6.3251
EUR/DKK	7.4391	GBP/JPY	156.73	USD/BRL	5.1718
EUR/NOK	10.1366	GBP/SEK	12.6471	USD/RUB	75.815
EUR/CHF	1.0466	GBP/DKK	8.9123	USD/INR	74.73
EUR/AUD	1.5762	GBP/NOK	12.1459	AUD/USD	0.7212
EUR/HKD	8.867	GBP/CHF	1.254	NZD/USD	0.6716
EUR/CAD	1.4422	GBP/AUD	1.8888		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.97	-7	+16	+46
Germany	0.23	-4	+26	+41
UK	1.46	-7	+23	+49
Ireland				
Ireland	0.80	-4	+34	+55
Belgium	0.72	-5	+44	+55
France	0.70	-5	+34	+51
Italy	1.84	-8	+47	+66
Spain	1.22	-7	+55	+63
Portugal	1.10	-6	+50	+62
Greece	2.62	-4	+92	+131
5 Year Swap %				
US	1.89	-8	+24	+56
Eurozone	0.56	-4	+45	+55
UK	1.90	-6	+42	+63
2 Year Swap %				
US	1.65	-4	+47	+70
Eurozone	0.13	-4	+36	+43
UK	1.99	-4	+58	+80
10 Year Government Bond Spreads to Benchmark bps				
Ireland	57	-0	+8	+14
Belgium	49	-1	+18	+13
France	47	-1	+8	+10
Italy	161	-4	+21	+24
Spain	99	-3	+29	+22
Portugal	87	-2	+24	+21
Greece	239	-1	+66	+89



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	92.97	-1.94	+5.19	+19.53
West Texas Oil	91.78	-2.18	+6.36	+21.84
Gold \$	1897.3	+1.55	+3.20	+3.77

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