

Sentiment remains reactive to Ukraine newsflow

Investor sentiment ebbed and flowed last week to the tune of geopolitical newsflow in relation to Ukraine. Overall, risk aversion was the dominant theme. This was reflected in all the main equity indices finishing lower on the week. At the close on Wall Street on Friday, the S&P 500 was down around 1.5% on the week.

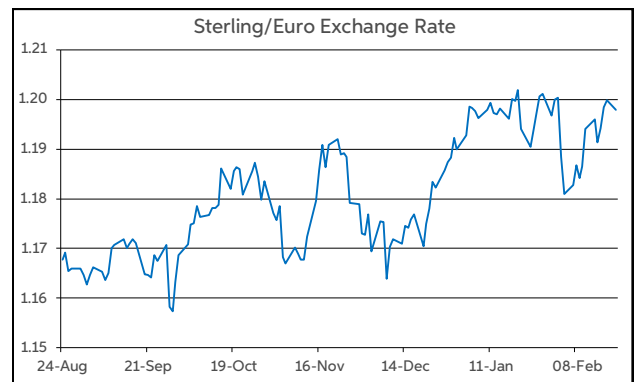
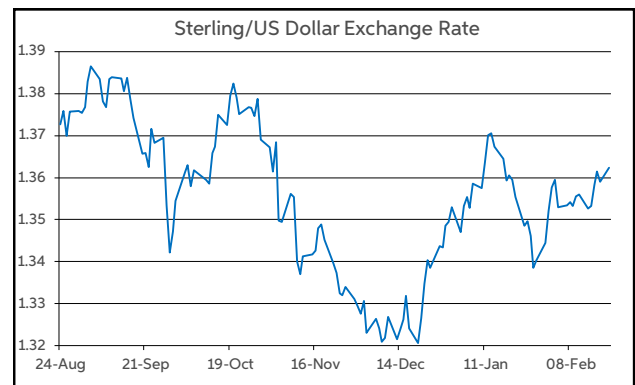
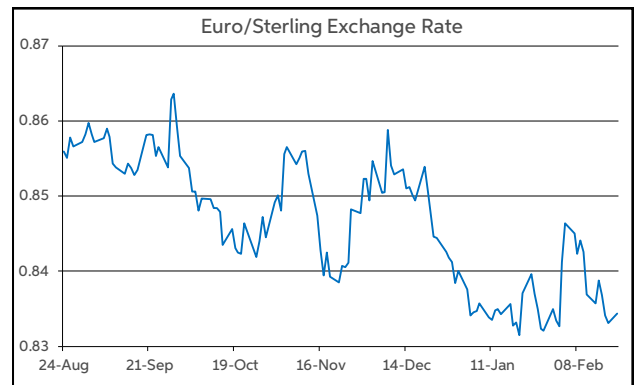
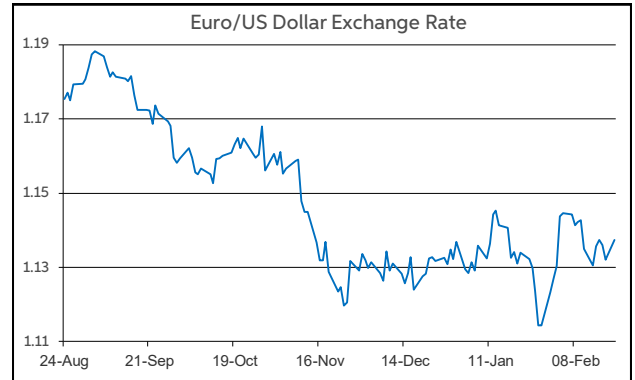
The 'risk off' mood was also in evidence on bond markets. Yields moved lower across the board amid safe haven demand. This included the yield on 10-year German Bunds falling by around 8bps to near 0.2%. Oil prices moved off their peak, but Brent remains above \$90 a barrel.

Meanwhile, on the currency front, the action was contained within narrow ranges for much of the week. Despite the risk averse mood, there were no notable moves in some of the traditional safe haven currencies, such as the dollar. In level terms, the EUR/USD pair spent most of the week within the \$1.13-1.14 corridor. Elsewhere, EUR/GBP was confined to the 83-84p trading band and GBP/USD was for the most part changing hands in and around the \$1.36 mark.

Looking ahead to this week, from a data viewpoint, the flash PMI's from the US, Eurozone and UK are all due for release. One of the other key data highlights will be the core PCE measure (Fed's preferred metric) of US inflation for January.

In terms of monetary policy, the market will assess remarks from BoE Governor Bailey (appearing before Treasury Select Committee) for insight into the extent of rate hikes that can be expected over the coming months. At the same time, markets will remain sensitive to Ukraine related newsflow.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1373	0.06	0.04
EUR/GBP	0.8343	-0.10	-0.68
GBP/USD	1.3628	0.15	0.73
GBP/EUR	1.1982	0.10	0.68
USD/JPY	114.96	-0.21	-0.10
EUR/JPY	130.76	-0.14	-0.08

* 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	0.17	0.48	1.15	1.68	1.91
EUR	0.00	-0.56	-0.53	-0.30	0.15	0.58
GBP	0.50	0.49	0.87	1.66	1.99	1.83

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

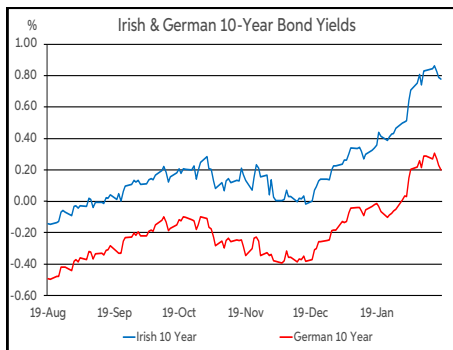
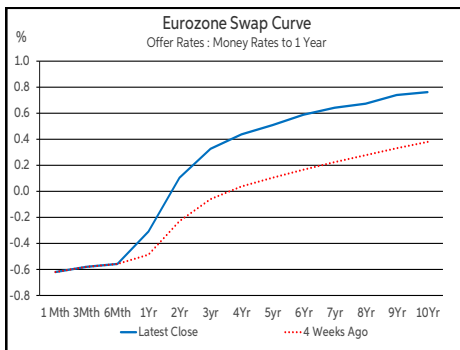
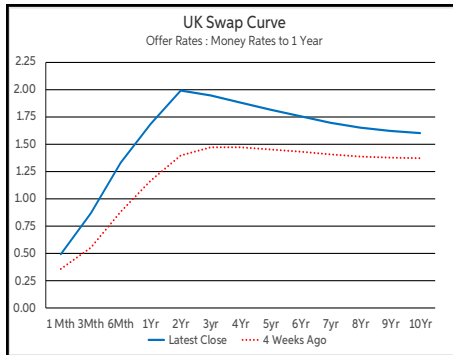
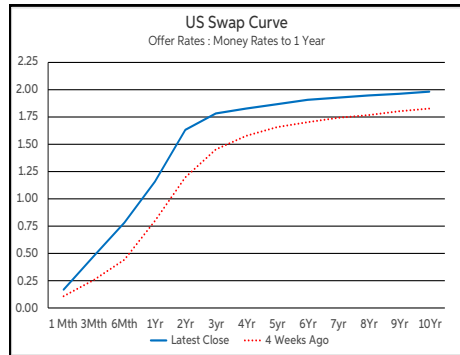
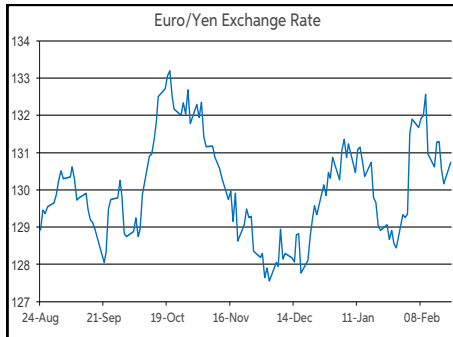
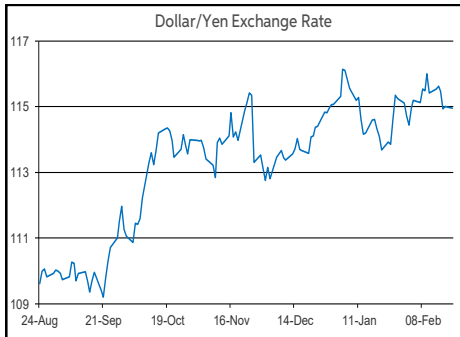
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Opening Levels

Monday 21 February 2022
07:17 am



Euro		Sterling		Dollar	
EUR/GBP	0.8343	GBP/EUR	1.1982	USD/JPY	114.96
EUR/USD	1.1373	GBP/USD	1.3628	USD/CAD	1.2725
EUR/JPY	130.76	GBP/CAD	1.7341	USD/CHF	0.9197
EUR/SEK	10.5974	GBP/NZD	2.0263	USD/CNY	6.3309
EUR/DKK	7.4382	GBP/JPY	156.67	USD/BRL	5.1367
EUR/NOK	10.1496	GBP/SEK	12.6959	USD/RUB	76.4493
EUR/CHF	1.0463	GBP/DKK	8.911	USD/INR	74.4425
EUR/AUD	1.5747	GBP/NOK	12.1615	AUD/USD	0.7219
EUR/HKD	8.871	GBP/CHF	1.2534	NZD/USD	0.6723
EUR/CAD	1.4471	GBP/AUD	1.8874		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.93	-4	+16	+42
Germany	0.21	-3	+27	+38
UK	1.38	-8	+21	+41
Ireland	0.80	-0	+36	+55
Belgium	0.71	-1	+45	+53
France	0.69	-1	+36	+49
Italy	1.85	+0	+49	+66
Spain	1.21	-1	+57	+62
Portugal	1.10	-1	+53	+61
Greece	2.57	-5	+88	+126
5 Year Swap %				
US	1.87	-4	+25	+53
Eurozone	0.51	-5	+41	+50
UK	1.82	-8	+37	+54
2 Year Swap %				
US	1.63	-2	+47	+69
Eurozone	0.11	-2	+35	+41
UK	1.99	-1	+60	+80
10 Year Government Bond Spreads to Benchmark bps				
Ireland	59	+2	+10	+16
Belgium	50	+1	+19	+15
France	48	+1	+9	+11
Italy	164	+3	+23	+28
Spain	101	+2	+30	+23
Portugal	89	+2	+26	+23
Greece	237	-2	+61	+87

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	93.54	+0.61	+6.43	+20.26
West Texas Oil	91.26	-0.57	+7.16	+21.15
Gold \$	1897.9	+0.03	+3.53	+3.80

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