

Risk averse tone to start the week

Investor sentiment was holding a risk averse tone at the start of the week. Concerns regarding an escalation in tension between Russia and Ukraine weighed on equity markets. The Euro Stoxx 50 shed 2.2% yesterday. Meanwhile, oil prices rose by 2%, moving back above \$95 bbl in the process.

On the currency front, the main FX pairs remained confined to relatively narrow trading ranges yesterday. A market holiday in the US may have contributed to the lacklustre price action.

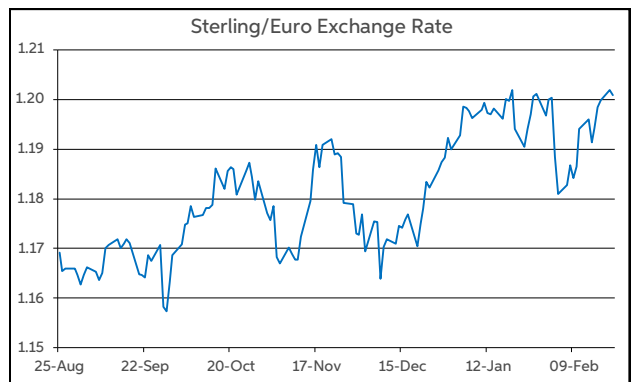
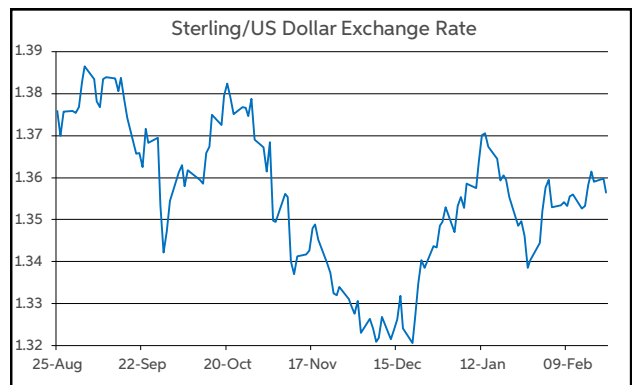
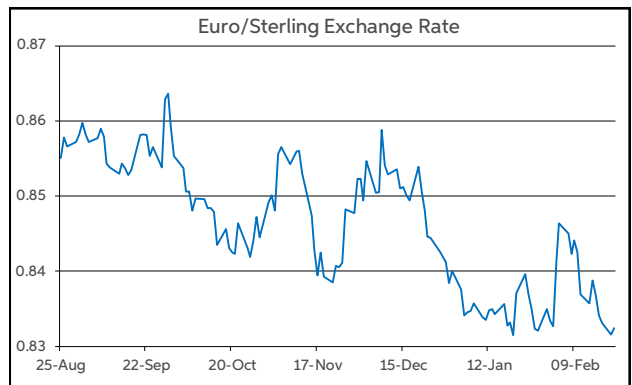
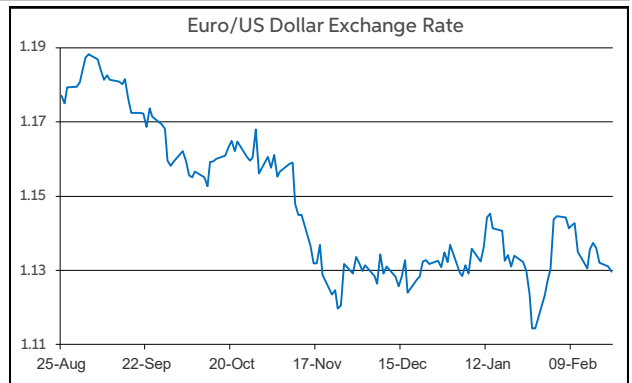
Overnight though, safe haven currencies such as the dollar and the yen gained some support, as tensions escalated further in relation to Ukraine. The euro lost ground against both currencies amid the rising risk aversion.

Data-wise, the latest flash PMI data indicated that activity regained momentum in the middle of the first quarter in the UK and Eurozone. The manufacturing and services PMIs rose by more than anticipated in the Eurozone in February. Meantime, the services sector jumped to its highest level since June in the UK, while the manufacturing PMI remained firmly in expansion mode.

In level terms, the slightly softer tone to the euro is reflected in EUR/USD opening this morning just below the \$1.13 handle. Elsewhere, EUR/GBP is operating in the lower half of the 83-84p range. GBP/USD has moved back down below the \$1.36 mark

Ahead today, the main data highlight will be the flash US PMIs for February. However, the market spotlight will remain on the escalating situation in Ukraine, with sentiment likely to remain very reactive to new information regarding the conflict.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1295	-0.59	-0.64
EUR/GBP	0.8325	-0.22	-0.89
GBP/USD	1.3565	-0.39	0.27
GBP/EUR	1.2005	0.22	0.90
USD/JPY	114.73	-0.21	-0.30
EUR/JPY	129.61	-0.79	-0.96

* 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	0.16	0.46	1.14	1.65	1.84
EUR	0.00	-0.56	-0.53	-0.31	0.12	0.54
GBP	0.50	0.53	0.88	1.67	1.92	1.82

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

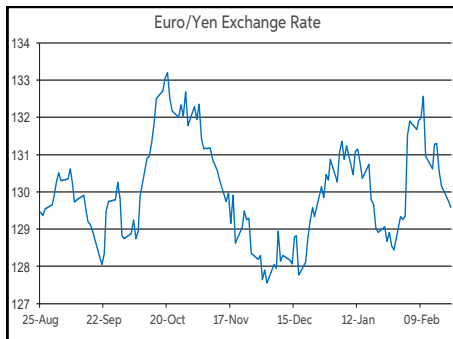
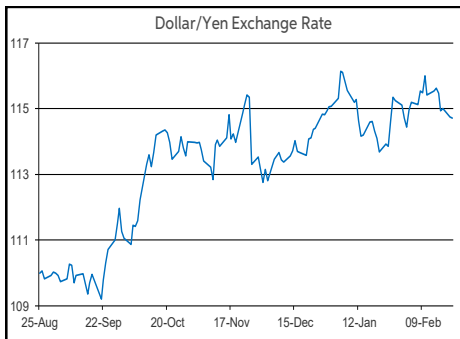
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

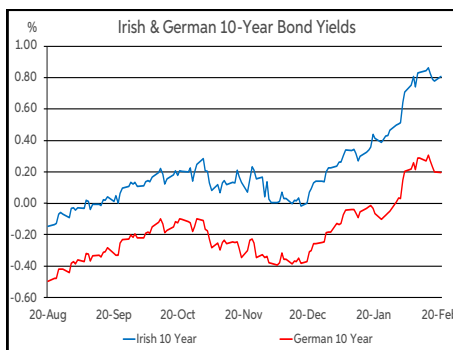
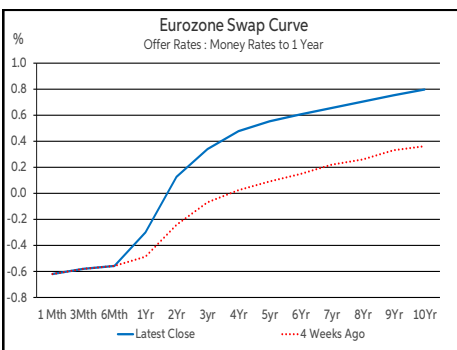
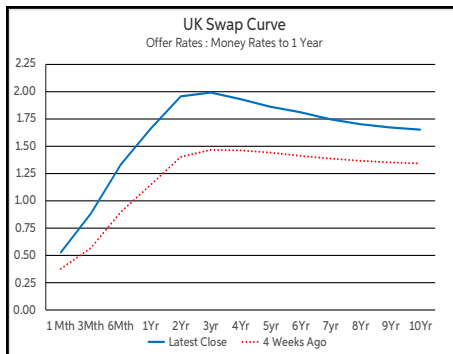
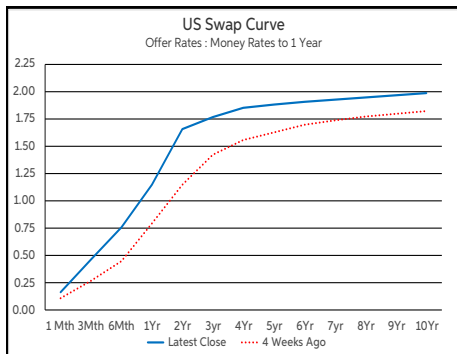
Tuesday 22 February 2022
07:42 am



Euro		Sterling		Dollar	
EUR/GBP	0.8325	GBP/EUR	1.2005	USD/JPY	114.73
EUR/USD	1.1295	GBP/USD	1.3565	USD/CAD	1.2758
EUR/JPY	129.61	GBP/CAD	1.731	USD/CHF	0.9165
EUR/SEK	10.6955	GBP/NZD	2.0214	USD/CNY	6.3401
EUR/DKK	7.4402	GBP/JPY	155.63	USD/BRL	5.1036
EUR/NOK	10.1767	GBP/SEK	12.8435	USD/RUB	80.1925
EUR/CHF	1.0353	GBP/DKK	8.934	USD/INR	74.96
EUR/AUD	1.5692	GBP/NOK	12.2217	AUD/USD	0.7197
EUR/HKD	8.8136	GBP/CHF	1.2434	NZD/USD	0.6709
EUR/CAD	1.4413	GBP/AUD	1.8846		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.93	-4	+15	+42
Germany	0.20	-0	+30	+38
UK	1.41	+2	+27	+43
5 Year Swap %				
US	1.88	+2	+30	+55
Eurozone	0.55	+2	+47	+54
UK	1.86	+4	+43	+59
2 Year Swap %				
US	1.65	+2	+53	+71
Eurozone	0.13	+1	+38	+43
UK	1.96	-3	+56	+77
10 Year Government Bond Spreads to Benchmark bps				
Ireland	63	+4	+13	+20
Belgium	54	+3	+21	+18
France	52	+3	+11	+14
Italy	172	+8	+26	+35
Spain	105	+4	+32	+28
Portugal	93	+3	+27	+26
Greece	234	-2	+60	+85



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	95.39	+1.98	+10.57	+22.64
West Texas Oil	91.26	-0.57	+8.03	+21.15
Gold \$	1905.6	+0.41	+3.40	+4.22

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