

Euro recoups some of its losses

There was a mixed mood on financial markets yesterday, as participants continued to digest the fallout from the latest escalation in tensions between Ukraine and Russia. Equity markets in the US moved lower, with the S&P 500 down 1% as investors returned from a long weekend. Meanwhile, the Euro Stoxx 50 finished flat for the day (following a 2% fall on Monday). On bond markets, benchmark sovereign yields rose by 4-7bps. Elsewhere, oil continued to climb higher, finishing the day just below \$97 bbl.

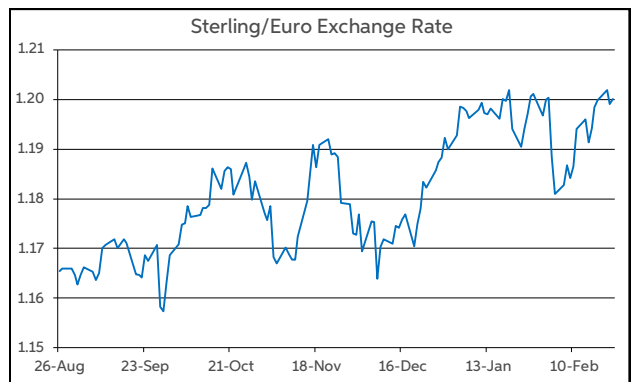
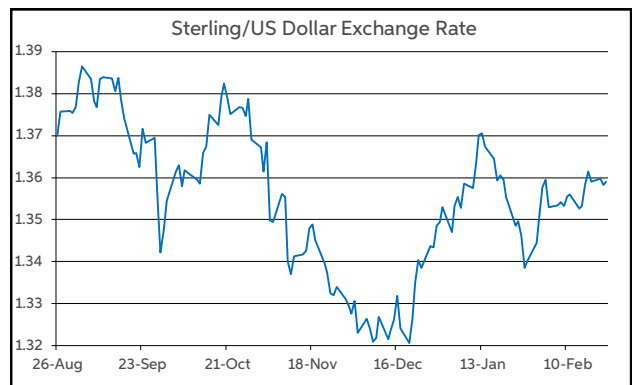
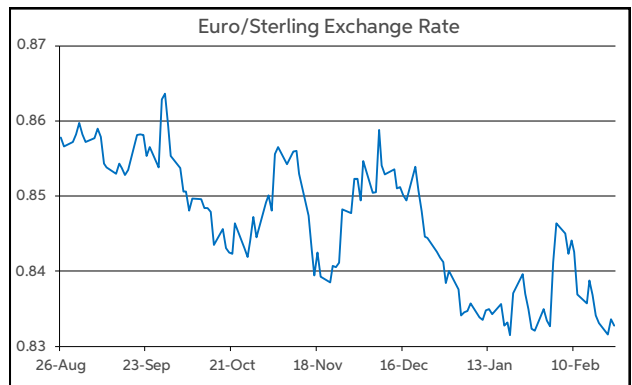
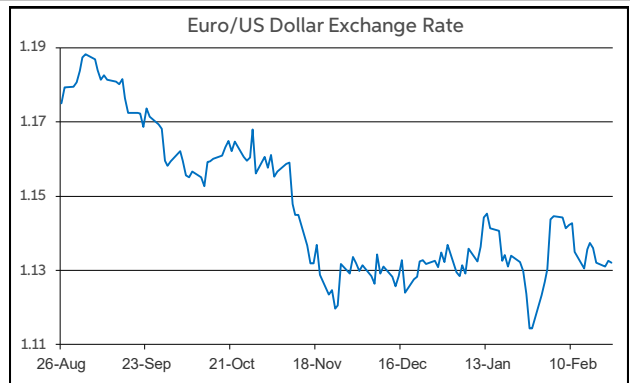
On the currency front, the main FX pairs remained confined to relatively narrow trading ranges. Of the limited moves to register, the euro recouped some of its losses from the previous day against safe haven currencies such as the yen and the dollar.

Data-wise, the latest US flash PMI surveys (Feb) printed above the consensus and were well above the key 50 level. Meantime, US consumer confidence did not fall by as much as expected in February. In the Eurozone, the bellwether German Ifo beat the forecast, rising to 98.9 from 95.7 (vs. 96.5 f'cast) in February.

In level terms, the slightly firmer tone to the euro is evidenced by EUR/USD opening this morning back up in \$1.13 territory. Elsewhere, EUR/GBP is changing hands in the bottom half of 83-84p. GBP/USD remains just below the \$1.36 mark

Turning to the day ahead, there is a sparse data schedule on both sides of the Atlantic. In terms of monetary policy though, testimony by Governor Bailey and three other BoE colleagues before a UK Parliamentary committee will garner close attention. However, sentiment is likely to remain sensitive to developments in Ukraine.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2021 |
| EUR/USD | 1.1323 | 0.17 | -0.40 |
| EUR/GBP | 0.833 | 0.20 | -0.83 |
| GBP/USD | 1.3591 | -0.04 | 0.46 |
| GBP/EUR | 1.2002 | -0.20 | 0.84 |
| USD/JPY | 115.07 | 0.31 | -0.01 |
| EUR/JPY | 130.29 | 0.45 | -0.44 |

* 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 | 0.18 | 0.49 | 1.24 | 1.79 | 1.98 |
| EUR | 0.00 | -0.56 | -0.53 | -0.29 | 0.20 | 0.63 |
| GBP | 0.50 | 0.54 | 0.89 | 1.68 | 2.00 | 1.93 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

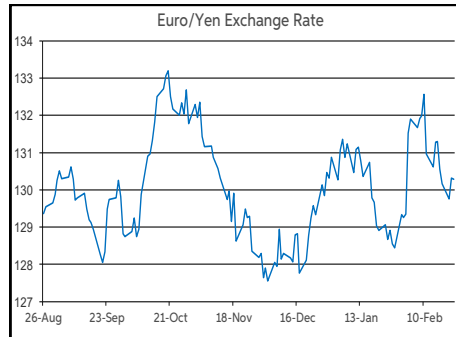
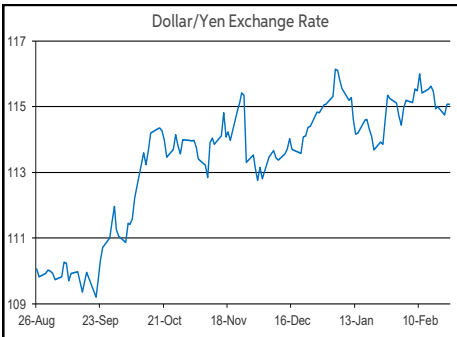
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|---------|--|----------------|------------|------------------|---------------------------|-----------------|-----------------------------------|
| FX Spot | Karl Cooke Shane Gargan Enda Homan | FX Options | Mark Tuite | Reuters Phone | AIBG.I 00353-1-7724018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

Opening Levels

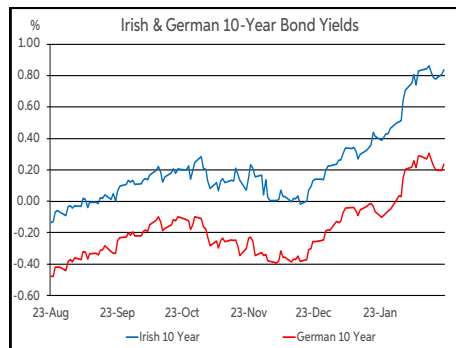
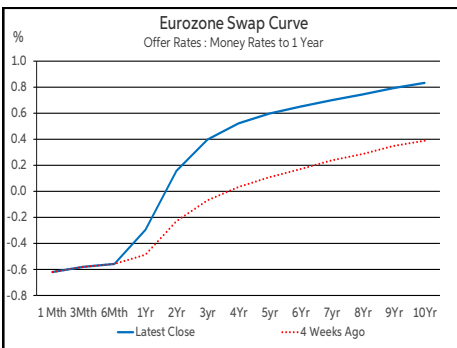
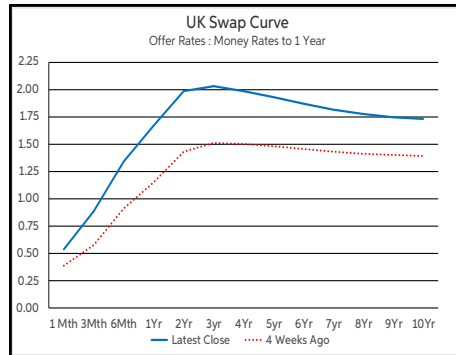
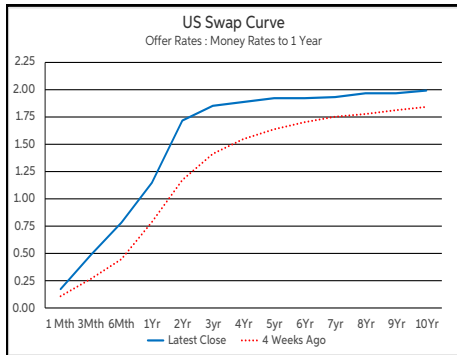
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| Euro | | Sterling | | Dollar | |
|---------|---------|----------|---------|---------|---------|
| EUR/GBP | 0.833 | GBP/EUR | 1.2002 | USD/JPY | 115.07 |
| EUR/USD | 1.1323 | GBP/USD | 1.3591 | USD/CAD | 1.2745 |
| EUR/JPY | 130.29 | GBP/CAD | 1.7325 | USD/CHF | 0.9215 |
| EUR/SEK | 10.5696 | GBP/NZD | 2.0082 | USD/CNY | 6.3262 |
| EUR/DKK | 7.4397 | GBP/JPY | 156.39 | USD/BRL | 5.0583 |
| EUR/NOK | 10.0586 | GBP/SEK | 12.6824 | USD/RUB | 78.804 |
| EUR/CHF | 1.0434 | GBP/DKK | 8.9291 | USD/INR | 74.6225 |
| EUR/AUD | 1.5642 | GBP/NOK | 12.0666 | AUD/USD | 0.7236 |
| EUR/HKD | 8.836 | GBP/CHF | 1.2525 | NZD/USD | 0.6765 |
| EUR/CAD | 1.4434 | GBP/AUD | 1.8775 | | |



| Debt Markets | | | | |
|---|-------|------------|---------|--------|
| | Close | Change bps | | |
| | | Day | 4 Weeks | End 21 |
| 10 Year Yield % | | | | |
| US | 1.94 | +2 | +17 | +43 |
| Germany | 0.24 | +4 | +32 | +42 |
| UK | 1.47 | +7 | +31 | +50 |
| 5 Year Swap % | | | | |
| US | 1.92 | +4 | +31 | +59 |
| Eurozone | 0.60 | +4 | +50 | +59 |
| UK | 1.93 | +7 | +46 | +66 |
| 2 Year Swap % | | | | |
| US | 1.72 | +6 | +58 | +77 |
| Eurozone | 0.16 | +3 | +40 | +46 |
| UK | 1.99 | +3 | +56 | +79 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 61 | -2 | +10 | +19 |
| Belgium | 51 | -3 | +17 | +15 |
| France | 49 | -2 | +8 | +12 |
| Italy | 169 | -3 | +25 | +33 |
| Spain | 104 | -1 | +30 | +27 |
| Portugal | 91 | -2 | +25 | +25 |
| Greece | 237 | +3 | +64 | +88 |



| Commodities | | | | |
|----------------|----------|-------|---------|--------|
| | % Change | | | |
| | Close | Day | 4 Weeks | End 21 |
| Brent Oil | 96.84 | +1.52 | +9.80 | +24.51 |
| West Texas Oil | 92.11 | +0.93 | +6.35 | +22.28 |
| Gold \$ | 1898.1 | -0.39 | +2.74 | +3.81 |

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