

## EUR/USD below \$1.13 as risk appetite sours

Investor sentiment remained cautious yesterday. The Euro Stoxx 50 finished down 0.3%, having initially moved higher earlier in the day. On the monetary policy front, BoE Governor Bailey pushed back against current market expectations of aggressive tightening from the BoE. He noted that the “key message to markets was not to get carried away” with regard the path of interest rate hikes. However, he also noted that there remained upside risks to already very elevated inflation forecasts in the UK.

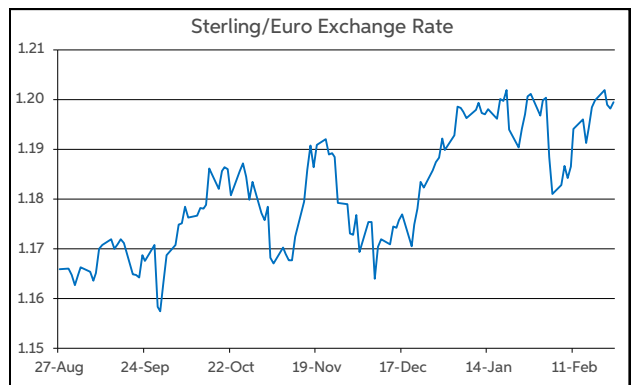
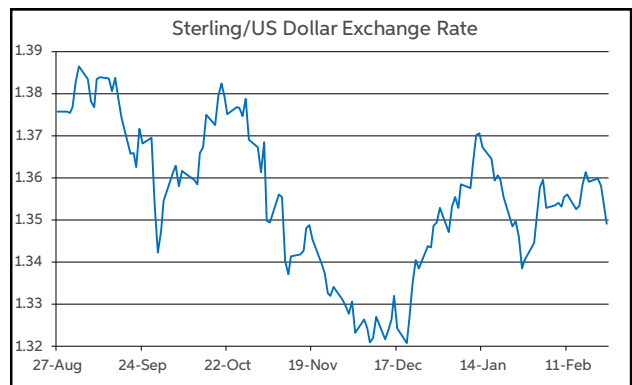
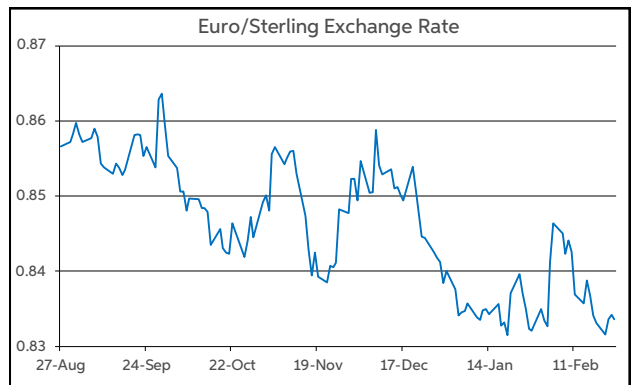
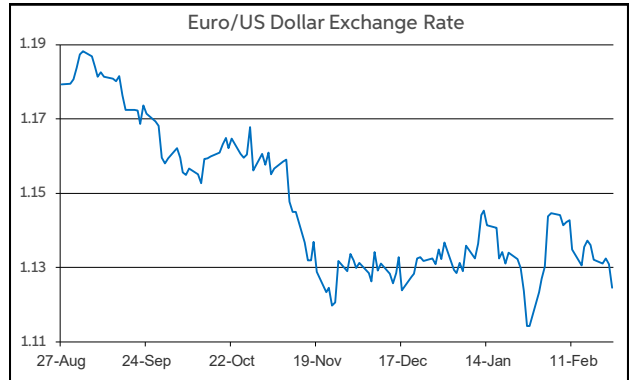
Overnight though, risk appetite moved markedly weaker as the situation in Ukraine escalated further. The S&P 500 finished down 1.8%. Bond yields moved lower against the “risk-off” backdrop. Meanwhile, oil prices surged, with Brent crude rising above \$100bbl for the first time since September 2014.

Safe haven currencies were in high demand amid the increased level of risk aversion. The dollar gained around 1% against the euro and sterling. Meantime, the yen rose by over 1%.

As trading gets underway this morning, the firmer tone to the dollar is evidenced by EUR/USD opening back below the midpoint of the \$1.12-1.13 range. Cable (GBP/USD) is changing hands in the top half of \$1.34-1.35. EUR/GBP remains tightly range bound, in the lower half of the 83-84p corridor.

Ahead today, there is a relatively quiet look to the macro-calendar. However, a slew of key central bankers are due to make prepared remarks from the ECB, Fed and BoE. Developments in Ukraine though, are likely to dominate and therefore will be the key driver of market sentiment today. European equity markets have opened this morning notably lower.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1244	-0.72	-1.09
EUR/GBP	0.8334	0.04	-0.79
GBP/USD	1.3485	-0.77	-0.33
GBP/EUR	1.1992	-0.04	0.79
USD/JPY	114.46	-0.50	-0.54
EUR/JPY	128.71	-1.21	-1.65

\* 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	1.19	1.70	1.88
EUR	0.00	-0.56	-0.53	-0.30	0.16	0.59
GBP	0.50	0.54	0.89	1.63	1.96	1.92

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

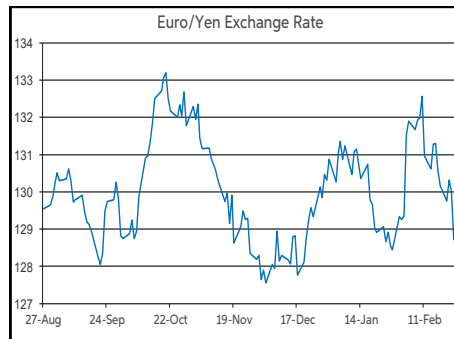
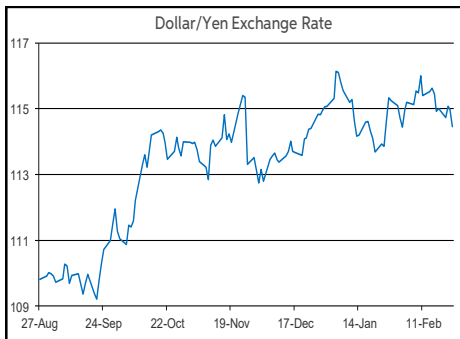
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

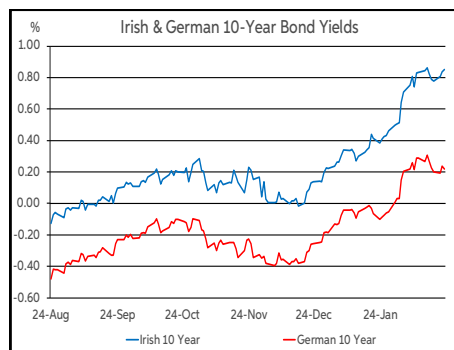
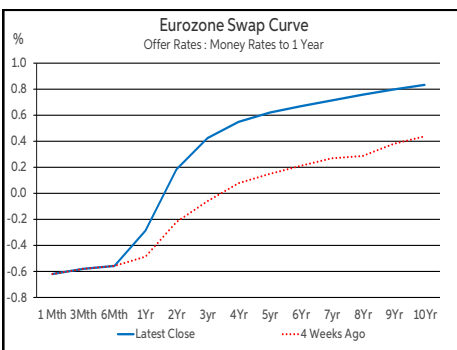
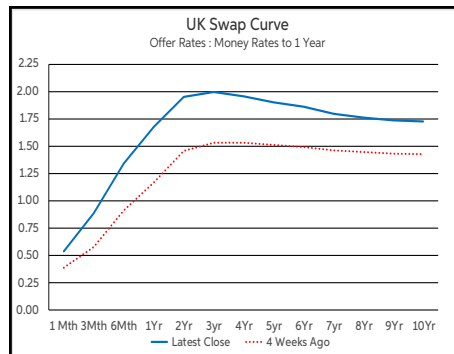
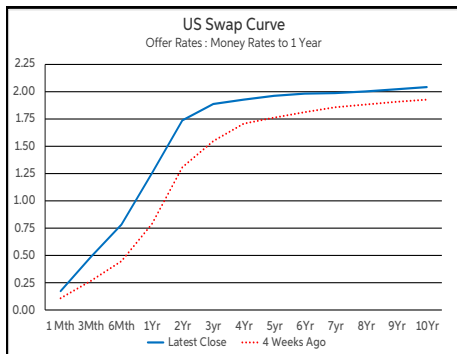
Thursday 24 February 2022  
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.8334	GBP/EUR	1.1992	USD/JPY	114.46
EUR/USD	1.1244	GBP/USD	1.3485	USD/CAD	1.2794
EUR/JPY	128.71	GBP/CAD	1.726	USD/CHF	0.9184
EUR/SEK	10.7078	GBP/NZD	2.0086	USD/CNY	6.3184
EUR/DKK	7.4403	GBP/JPY	154.35	USD/BRL	5.0097
EUR/NOK	10.0769	GBP/SEK	12.8439	USD/RUB	87.74
EUR/CHF	1.0325	GBP/DKK	8.9222	USD/INR	75.29
EUR/AUD	1.5661	GBP/NOK	12.0882	AUD/USD	0.7178
EUR/HKD	8.7806	GBP/CHF	1.2385	NZD/USD	0.6712
EUR/CAD	1.4389	GBP/AUD	1.8789		



	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	2.00	+5	+13	+49
Germany	0.23	-2	+30	+40
UK	1.48	+0	+28	+50
<b>5 Year Swap %</b>				
US	1.96	+6	+24	+63
Eurozone	0.62	+2	+47	+61
UK	1.90	-3	+40	+63
<b>2 Year Swap %</b>				
US	1.73	+2	+47	+79
Eurozone	0.18	+2	+41	+48
UK	1.95	-4	+50	+76
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	64	+3	+13	+22
Belgium	52	+1	+18	+17
France	50	+1	+9	+13
Italy	171	+2	+23	+34
Spain	104	+0	+29	+27
Portugal	93	+2	+25	+27
Greece	240	+3	+64	+91



	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	96.84	+0.00	+7.65	+24.51
West Texas Oil	92.14	+0.03	+4.31	+22.32
Gold \$	1907.5	+0.50	+4.92	+4.33

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.