

Eventful day on equity markets

The risk averse mood on markets over recent weeks carried over into the start of this week. Rising geopolitical tensions (Ukraine) and markets contemplating a higher inflation/interest rate outlook weighed on investor sentiment yesterday.

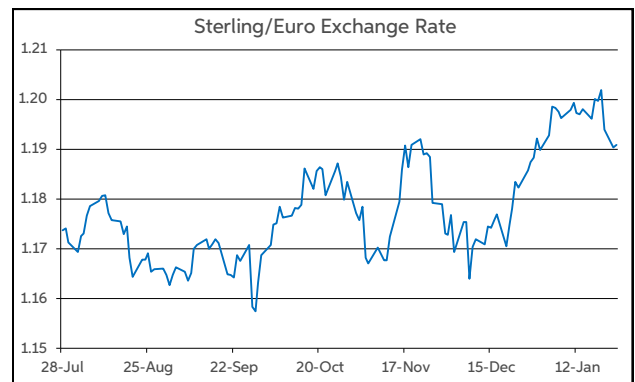
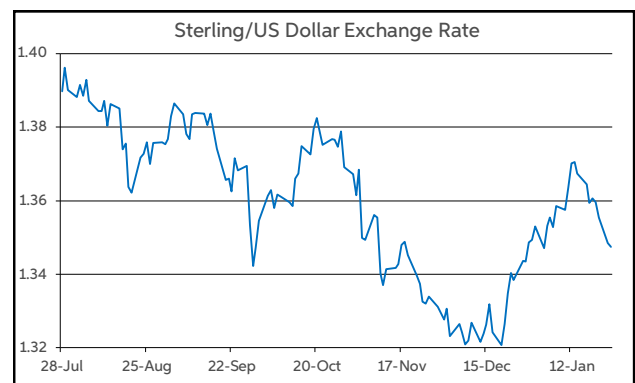
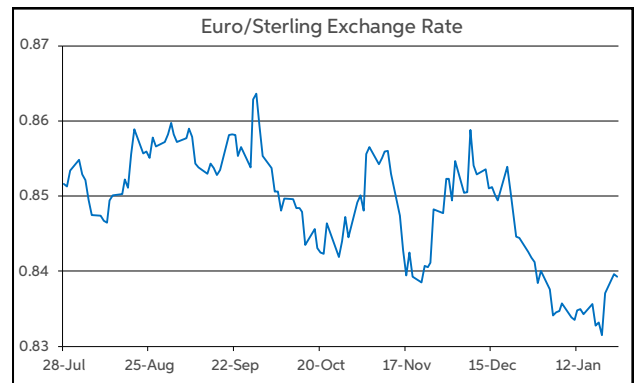
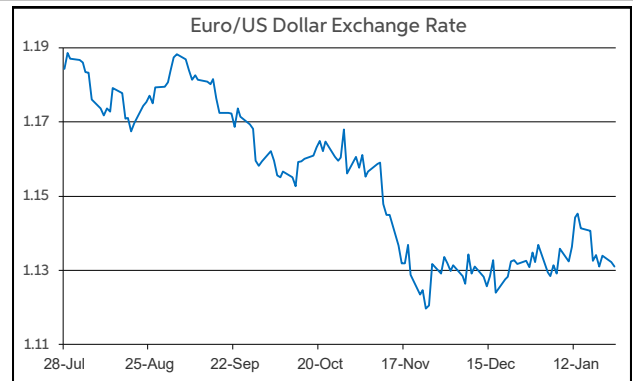
This was evident in a sharp sell off on European equity markets. The Euro Stoxx 50, which had outperformed the main US indices last week, fell by over 4%. Meanwhile, Wall Street did initially experience selling pressures as well. Early in the US session, the S&P 500 index was down around 4% and in the process reached correction territory (i.e. fall of over 10% since its peak in early January). However, the index staged a strong recovery heading into the close last night, registering a modest gain of 0.3%

Data-wise, the main releases of note yesterday were the flash PMIs for January. The headline composite surveys from the US, Eurozone and UK tended to miss to the downside of expectations. As a result, the data did not cause much of a reaction from their respective currencies.

Of the action to register amongst the FX majors over the past 24 hours, sterling has been holding a slightly softer tone. This is reflected in EUR/GBP opening this morning up near to 84p and GBP/USD below the \$1.35 mark. Elsewhere, EUR/USD briefly tested below the \$1.13 level yesterday. It opens today at \$1.131.

Looking ahead to Tuesday's data schedule, in Europe, the main highlight is the German Ifo for January. Across the Atlantic, house prices (Nov) and consumer confidence (Jan) are the main releases of note. However, the data may not generate much interest on the currency front.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1312	-0.04	-0.49
EUR/GBP	0.8395	0.50	-0.06
GBP/USD	1.3474	-0.53	-0.41
GBP/EUR	1.1909	-0.50	0.06
USD/JPY	113.76	-0.02	-1.15
EUR/JPY	128.68	-0.08	-1.67

* 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	0.11	0.27	0.70	1.17	1.63
EUR	0.00	-0.56	-0.55	-0.46	-0.23	0.10
GBP	0.25	0.38	0.57	1.15	1.40	1.44

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

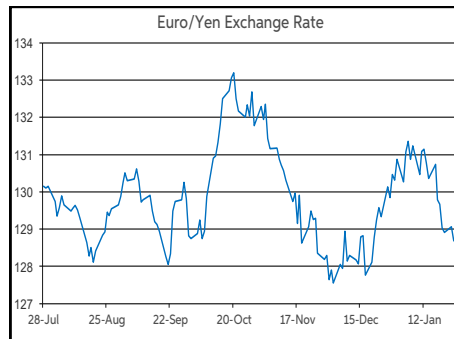
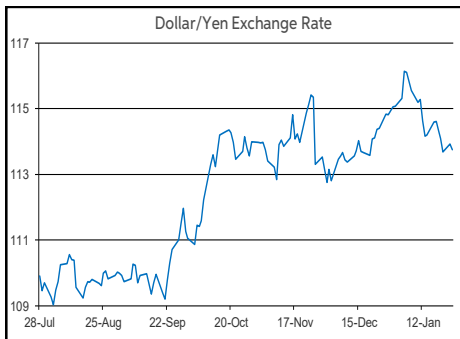
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

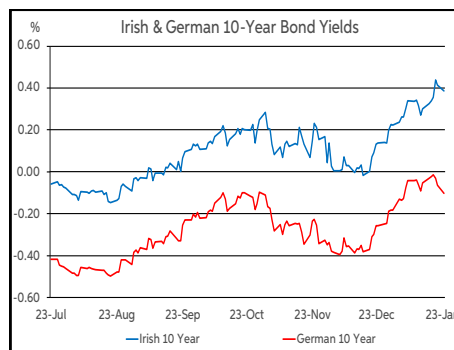
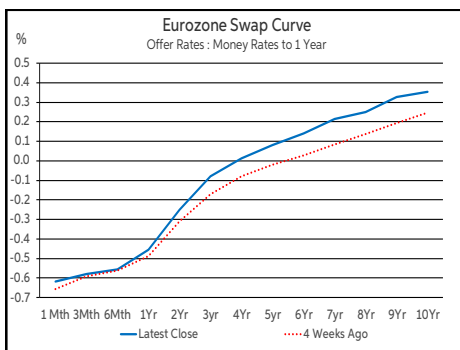
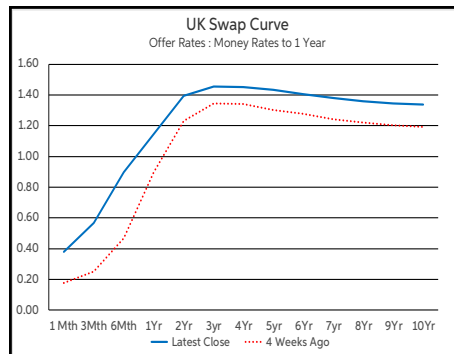
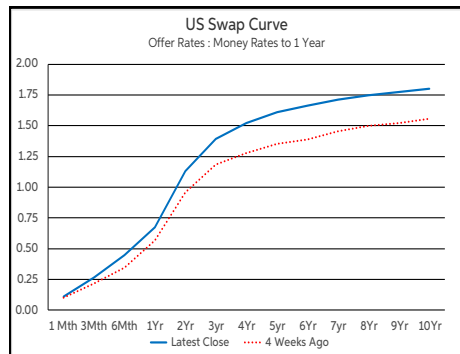
Tuesday 25 January 2022
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8395	GBP/EUR	1.1909	USD/JPY	113.76
EUR/USD	1.1312	GBP/USD	1.3474	USD/CAD	1.2644
EUR/JPY	128.68	GBP/CAD	1.7037	USD/CHF	0.916
EUR/SEK	10.5025	GBP/NZD	2.0195	USD/CNY	6.3285
EUR/DKK	7.4433	GBP/JPY	153.28	USD/BRL	5.4875
EUR/NOK	10.1909	GBP/SEK	12.5097	USD/RUB	78.5402
EUR/CHF	1.0364	GBP/DKK	8.8644	USD/INR	74.7113
EUR/AUD	1.5855	GBP/NOK	12.139	AUD/USD	0.7133
EUR/HKD	8.807	GBP/CHF	1.2346	NZD/USD	0.6671
EUR/CAD	1.4302	GBP/AUD	1.8885		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.78	+1	+30	+26
Germany	-0.10	-4	+15	+8
UK	1.13	-4	+21	+16
Ireland				
Ireland	0.40	-4	+19	+15
Belgium	0.23	-2	+12	+6
France	0.31	-2	+18	+11
Italy	1.36	+0	+23	+17
Spain	0.63	-1	+12	+4
Portugal	0.56	-1	+15	+7
Greece	1.65	-5	+30	+33
5 Year Swap %				
US	1.61	-1	+29	+28
Eurozone	0.08	-2	+11	+7
UK	1.43	-1	+16	+16
2 Year Swap %				
US	1.13	-3	+20	+19
Eurozone	-0.25	-1	+7	+5
UK	1.40	+0	+18	+20
10 Year Government Bond Spreads to Benchmark bps				
Ireland	50	+0	+5	+7
Belgium	33	+2	-3	-2
France	41	+1	+3	+3
Italy	145	+4	+8	+9
Spain	73	+3	-3	-4
Portugal	66	+3	+0	-1
Greece	175	-1	+16	+25



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	86.27	-1.84	+9.76	+10.92
West Texas Oil	84.48	-0.80	+11.91	+12.15
Gold \$	1843.1	+0.54	+1.78	+0.80

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