

US Fed the main highlight today

The mood on financial markets remained jittery yesterday, as concerns regarding the NATO-Russia stand-off involving Ukraine, and the higher interest rate outlook continued to weigh on sentiment. At the close on Wall Street, the S&P 500 finished down by 1.2%. Meanwhile, the Euro Stoxx 50 rose by 0.6%, having declined by over 4% on Monday.

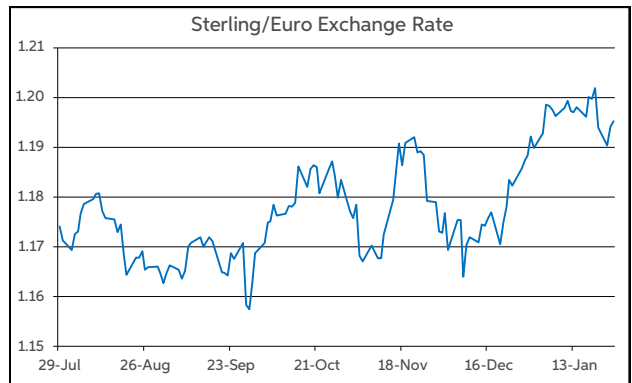
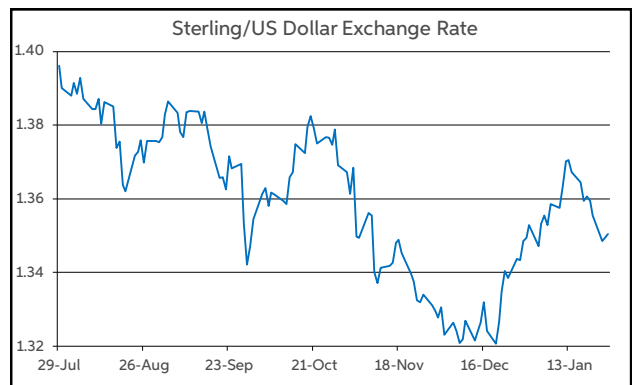
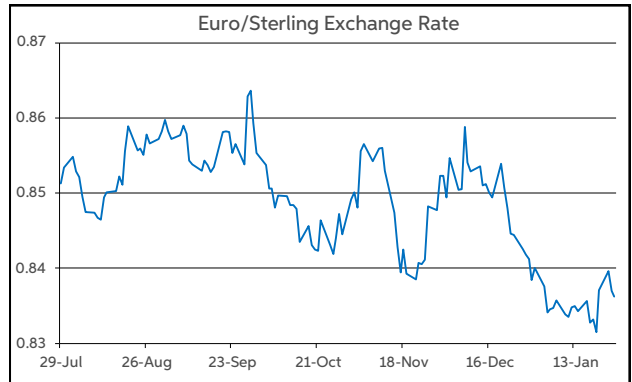
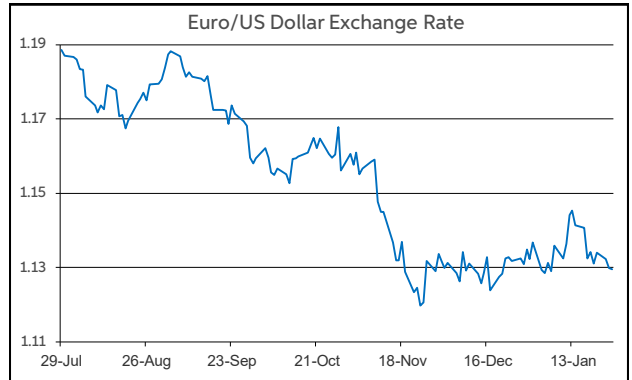
Data-wise, the bellwether German Ifo rose for the first time since June in January, suggesting the economy may have regained some momentum. Elsewhere, consumer confidence declined once again in the US, albeit not by as much as had been expected.

On the currency front, the main pairs traded within fairly narrow ranges yesterday. Of the limited moves to register, the euro was under modest downward pressure. This is reflected in EUR/USD opening just below \$1.13, having traded to a low of \$1.126 yesterday. EUR/GBP is operating back near the midpoint of 83-84p. Meantime, GBP/USD is changing hands at the \$1.35 handle.

Today, the main macro-event takes place after the close in Europe. The US Fed is set to conclude its latest monetary policy meeting, which poses some event risk for the dollar. No interest rate changes are expected. However, markets will be paying close attention to any comments regarding the timing of the first rate hike in the US. Remarks on the rundown of the Fed's balance sheet will also be under the microscope.

Elsewhere, there is a relatively quiet data schedule both sides of the Atlantic today. Thus, the action on markets may be somewhat muted, as investors keep their powder dry ahead of the aforementioned Fed meeting.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1294	-0.11	-0.65
EUR/GBP	0.8366	-0.29	-0.40
GBP/USD	1.3501	0.20	-0.21
GBP/EUR	1.195	0.29	0.41
USD/JPY	113.92	0.11	-1.01
EUR/JPY	128.69	0.00	-1.67

* v Previous Day's European Open
See Next Page for More Rates

Opening Interest Rates						
		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.11	0.27	0.72	1.17	1.64
EUR	0.00	-0.56	-0.54	-0.45	-0.23	0.11
GBP	0.25	0.38	0.57	1.17	1.42	1.48

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

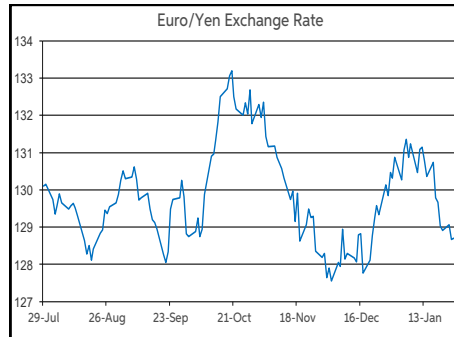
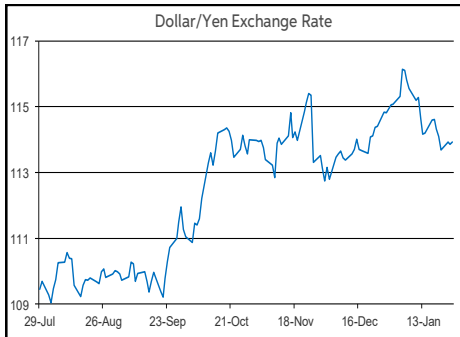
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

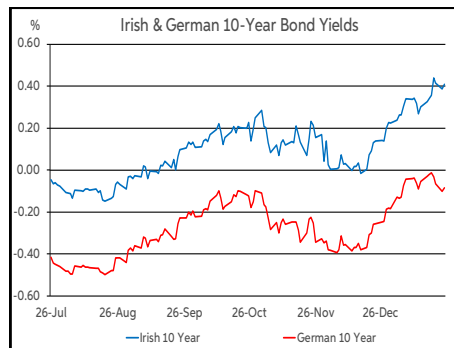
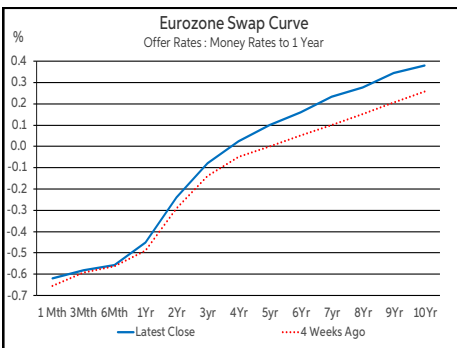
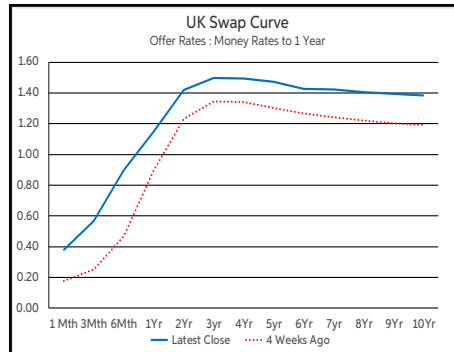
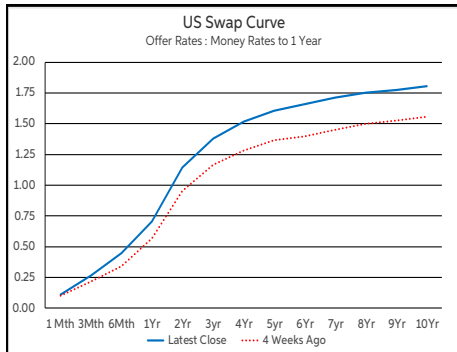
Wednesday 26 January 2022
07:13 am



Euro		Sterling		Dollar	
EUR/GBP	0.8365	GBP/EUR	1.1951	USD/JPY	113.93
EUR/USD	1.1294	GBP/USD	1.3502	USD/CAD	1.2606
EUR/JPY	128.7	GBP/CAD	1.7018	USD/CHF	0.9185
EUR/SEK	10.4636	GBP/NZD	2.0198	USD/CNY	6.3206
EUR/DKK	7.4417	GBP/JPY	153.83	USD/BRL	5.4437
EUR/NOK	10.0876	GBP/SEK	12.5042	USD/RUB	78.8628
EUR/CHF	1.0374	GBP/DKK	8.8925	USD/INR	74.834
EUR/AUD	1.5786	GBP/NOK	12.0564	AUD/USD	0.7155
EUR/HKD	8.795	GBP/CHF	1.2399	NZD/USD	0.6681
EUR/CAD	1.424	GBP/AUD	1.8867		



	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.78	+0	+29	+26
Germany	-0.08	+2	+16	+10
UK	1.17	+4	+25	+20
5 Year Swap %				
US	1.60	+2	+28	+27
Eurozone	0.10	+2	+11	+9
UK	1.47	+4	+20	+20
2 Year Swap %				
US	1.15	+2	+23	+20
Eurozone	-0.24	+1	+6	+6
UK	1.42	+2	+20	+23
10 Year Government Bond Spreads to Benchmark bps				
Ireland	51	+1	+7	+8
Belgium	34	+1	-1	-2
France	41	+1	+5	+4
Italy	144	-1	+10	+8
Spain	74	+1	-2	-4
Portugal	66	+0	+1	-1
Greece	173	-2	+16	+24



	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	88.2	+2.24	+11.73	+13.40
West Texas Oil	86.61	+2.52	+13.95	+14.97
Gold \$	1847.6	+0.24	+2.34	+1.05

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