

EUR/USD remains pinned down at \$1.11

Choppy trading conditions continued on financial markets yesterday against the backdrop of the war in Ukraine. However, sentiment improved as the day progressed. Having suffered heavy losses the day before, the Euro Stoxx 50 rebounded by 1.5%. Similarly, the S&P 500 finished up 1.9%. On bond markets, yields rose across the board. Meanwhile, oil prices continued to surge higher overnight, touching \$118 per barrel at one point.

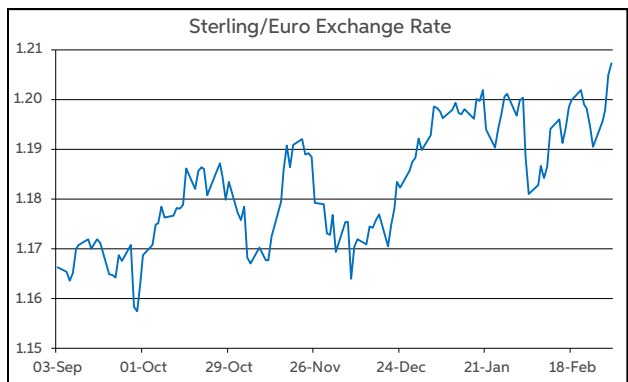
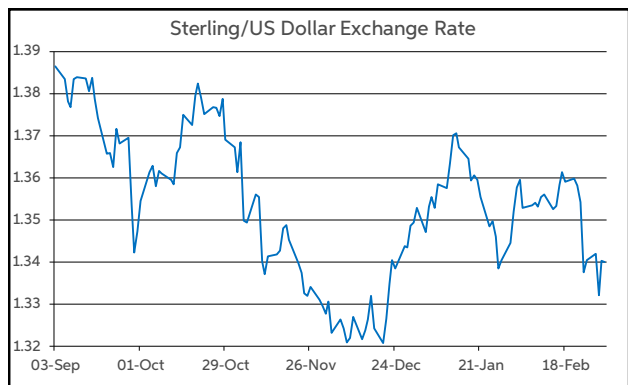
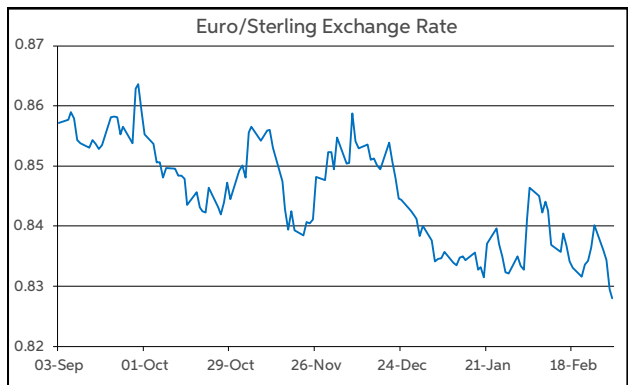
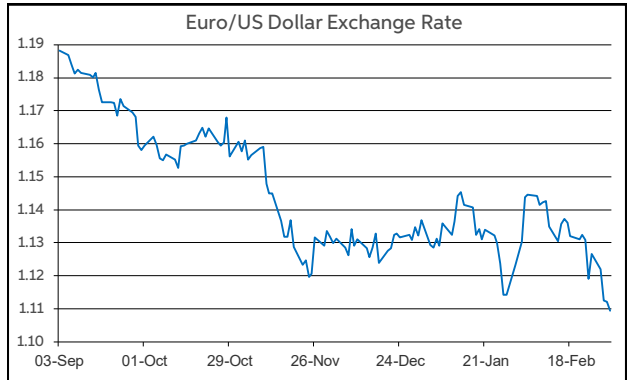
On the currency front, the demand for traditional safe havens declined slightly. However, the euro was unable to recover any ground against the dollar. Elsewhere, sterling was holding a firmer tone. Sterling gained against a basket of currencies yesterday, including the euro and the dollar.

Data-wise, Eurozone inflation printed above the consensus. The headline rate rose to 5.8% in February (vs. 5.4% f'cast), while the ex-food & energy reading jumped to 2.9% (vs. 2.7% f'cast). In terms of monetary policy, Chair Powell signalled the Fed will hike rates at its next meeting, which will take place on March 16th. He opened the door to a 50bps increase at some point this year too.

As trading gets underway this morning, EUR/USD remains at \$1.11, having traded as low as \$1.106 yesterday. The firmer tone to sterling sees EUR/GBP open down below the 83p mark. Meantime, GBP/USD is operating up at the \$1.34 level.

Turning to the day ahead, the main release of note will be the Eurozone unemployment rate (Jan). On the monetary policy front, the latest ECB meeting minutes will also garner attention. Although, sentiment may continue to be driven by the ebb and flow of news headlines regarding the conflict in Ukraine.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1094	-0.17	-2.41
EUR/GBP	0.8279	-0.90	-1.44
GBP/USD	1.3398	0.71	-0.97
GBP/EUR	1.2072	0.91	1.46
USD/JPY	115.71	0.57	0.55
EUR/JPY	128.37	0.39	-1.91

* 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	0.23	0.51	1.17	1.64	1.82
EUR	0.00	-0.55	-0.53	-0.37	0.00	0.42
GBP	0.50	0.60	0.87	1.62	1.85	1.75

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

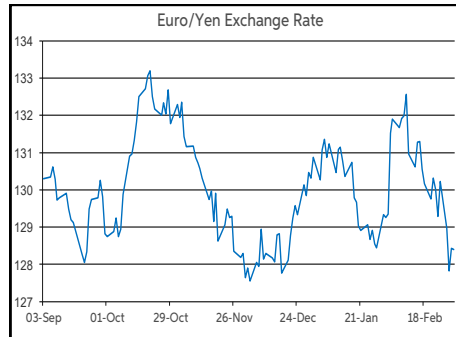
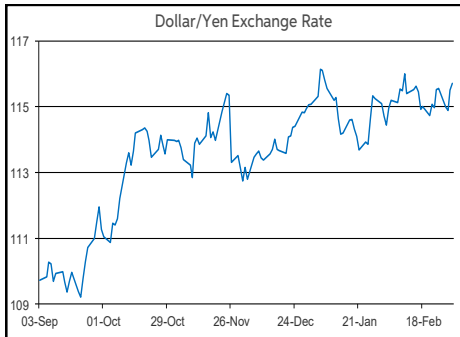
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

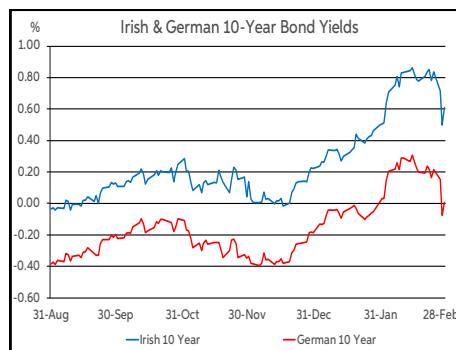
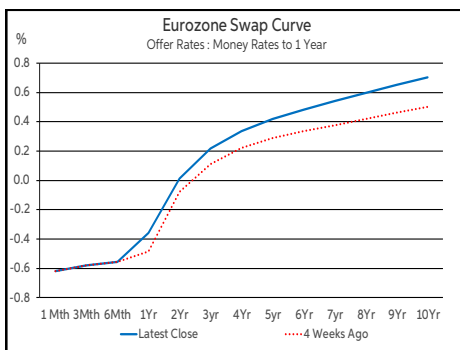
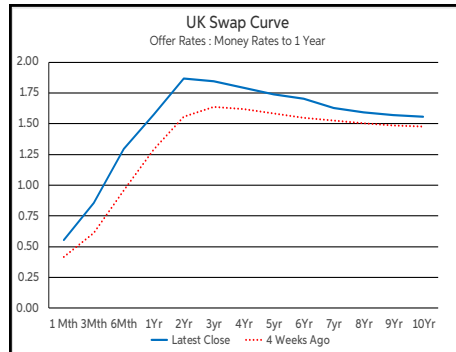
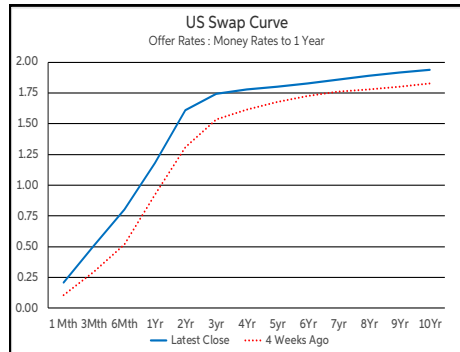
Thursday 03 March 2022
07:36 am



Euro		Sterling		Dollar	
EUR/GBP	0.8279	GBP/EUR	1.2072	USD/JPY	115.71
EUR/USD	1.1094	GBP/USD	1.3398	USD/CAD	1.2613
EUR/JPY	128.37	GBP/CAD	1.69	USD/CHF	0.9194
EUR/SEK	10.7793	GBP/NZD	1.975	USD/CNY	6.3194
EUR/DKK	7.4397	GBP/JPY	155.03	USD/BRL	5.0995
EUR/NOK	9.8458	GBP/SEK	13.0152	USD/RUB	108.412
EUR/CHF	1.0202	GBP/DKK	8.9814	USD/INR	75.736
EUR/AUD	1.5169	GBP/NOK	11.886	AUD/USD	0.7312
EUR/HKD	8.6693	GBP/CHF	1.2319	NZD/USD	0.6781
EUR/CAD	1.3995	GBP/AUD	1.8316		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.88	+16	+11	+37
Germany	0.01	+8	-3	+19
UK	1.26	+16	+1	+29
5 Year Swap %				
US	1.80	+19	+17	+47
Eurozone	0.42	+10	+14	+41
UK	1.74	+18	+16	+47
2 Year Swap %				
US	1.61	+18	+34	+67
Eurozone	0.01	+8	+10	+31
UK	1.87	+6	+32	+68
10 Year Government Bond Spreads to Benchmark bps				
Ireland	62	+5	+12	+20
Belgium	53	+6	+20	+18
France	47	+5	+6	+10
Italy	154	+8	+15	+18
Spain	100	+8	+24	+23
Portugal	83	+3	+15	+17
Greece	235	-8	+60	+85



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	112.93	+7.58	+26.22	+45.19
West Texas Oil	110.74	+6.83	+25.61	+47.01
Gold \$	1926.1	-0.88	+6.62	+5.34

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