

Manic Monday

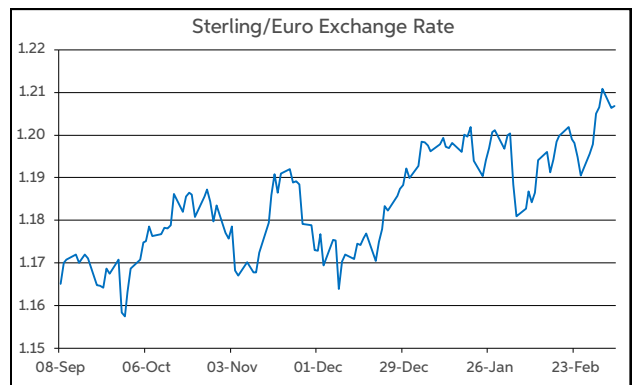
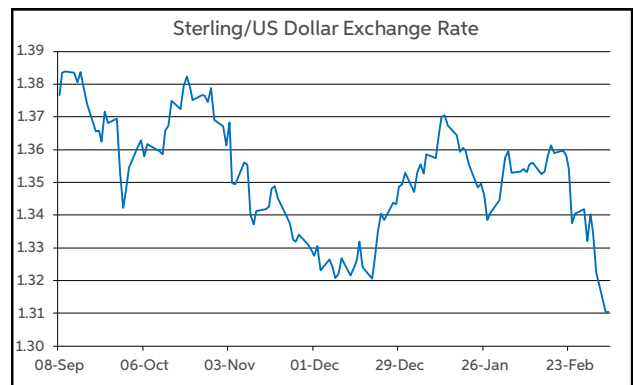
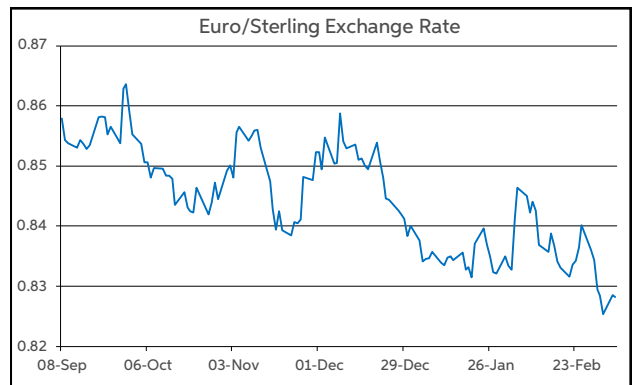
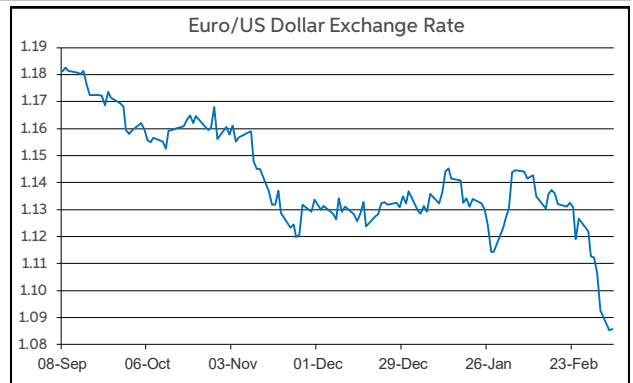
There was a topsy-turvy start to the week on financial markets yesterday. Markets were reacting to the weekend news of the potential for sanctions being imposed on Russian oil. The US and some of its Allies were reported to be considering a ban on Russian oil imports. This saw oil prices surge further, with Brent crude rising at one stage to \$139 a barrel, its highest level since the summer of 2008. Other commodity prices also experienced sharp rises, including natural gas (in Europe), nickel and wheat.

Against this backdrop of surging commodity prices and general uncertainty in relation to the war in Ukraine, risk aversion remained the dominant theme on markets yesterday. The Euro Stoxx 50 fell by 1.2%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 3% lower on the day. On bond markets, the US Treasury yield curve flattened as investors contemplated the risk that the extent of rate hikes needed to deal with inflation could act as a significant headwind to economic growth.

Currency-wise, safe haven currencies, such as the dollar started yesterday in the ascendancy amid the 'risk-off' mood. EUR/USD trade down to its key support level at \$1.08. However, as the day progressed, the pair managed to move off its low, to trade closer to the midpoint of \$1.08-1.09. Elsewhere, sterling was holding a softer tone for much of yesterday. The combination of some sterling weakness and a firmer dollar saw GBP/USD fall below the \$1.31 threshold. Meanwhile, EUR/GBP has edged higher within the 82-83p trading band over the past 24 hours.

For the day ahead, market action will likely continue to be heavily influenced by Ukraine related developments/newsflow. Therefore, volatile trading conditions could persist.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0852	-0.20	-4.54
EUR/GBP	0.8289	0.73	-1.32
GBP/USD	1.3087	-0.95	-3.27
GBP/EUR	1.2057	-0.72	1.34
USD/JPY	115.47	0.48	0.34
EUR/JPY	125.31	0.26	-4.25

* 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	0.31	0.64	1.33	1.74	1.78
EUR	0.00	-0.55	-0.52	-0.31	0.05	0.44
GBP	0.50	0.68	0.96	1.67	2.02	1.88

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

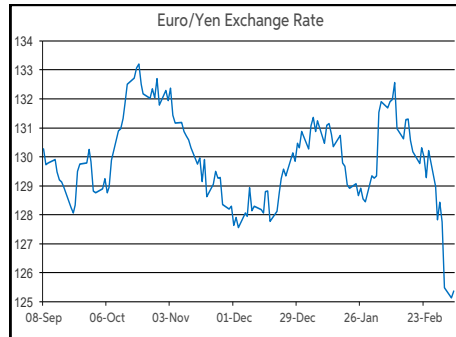
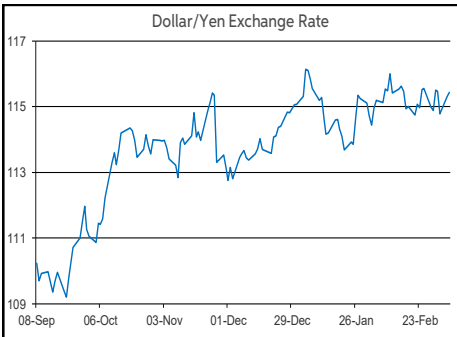
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

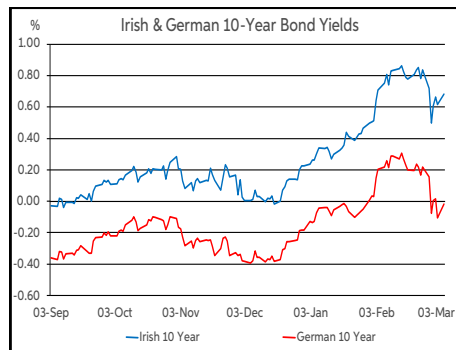
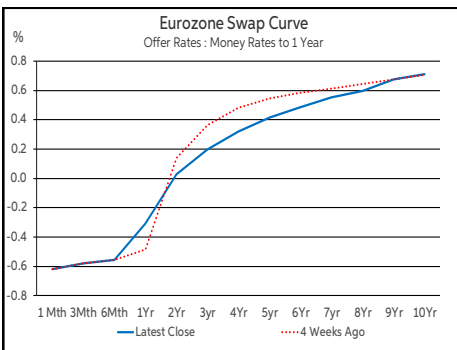
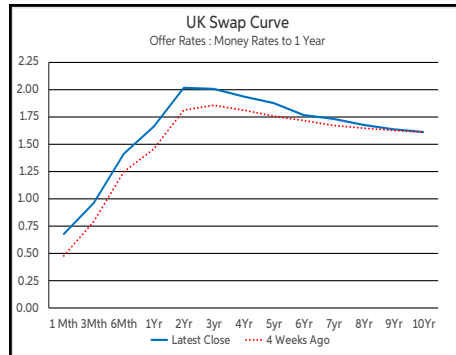
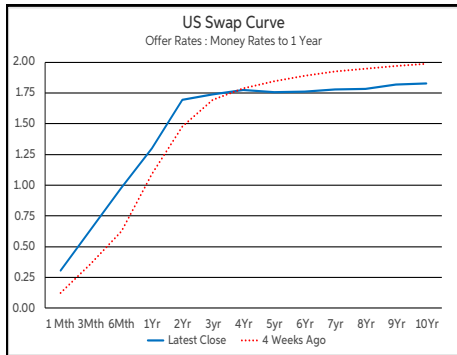
Tuesday 08 March 2022
07:01 am



Euro		Sterling		Dollar	
EUR/GBP	0.8289	GBP/EUR	1.2057	USD/JPY	115.47
EUR/USD	1.0852	GBP/USD	1.3087	USD/CAD	1.2825
EUR/JPY	125.31	GBP/CAD	1.6785	USD/CHF	0.9259
EUR/SEK	10.8696	GBP/NZD	1.923	USD/CNY	6.3167
EUR/DKK	7.4414	GBP/JPY	151.12	USD/BRL	5.1115
EUR/NOK	9.8344	GBP/SEK	13.1054	USD/RUB	125
EUR/CHF	1.0047	GBP/DKK	8.9739	USD/INR	76.87
EUR/AUD	1.4909	GBP/NOK	11.8667	AUD/USD	0.7277
EUR/HKD	8.4883	GBP/CHF	1.2119	NZD/USD	0.6805
EUR/CAD	1.3915	GBP/AUD	1.7984		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.78	+4	-14	+27
Germany	-0.01	+9	-24	+17
UK	1.30	+9	-11	+33
5 Year Swap %				
US	1.76	+6	-6	+42
Eurozone	0.42	+3	-12	+40
UK	1.88	+8	+13	+60
2 Year Swap %				
US	1.69	+5	+25	+75
Eurozone	0.03	+2	-10	+33
UK	2.01	+9	+21	+82
10 Year Government Bond Spreads to Benchmark bps				
Ireland	75	+0	+22	+32
Belgium	55	-5	+10	+20
France	49	-4	+4	+12
Italy	161	-2	+2	+25
Spain	102	-5	+16	+25
Portugal	90	-2	+10	+24
Greece	237	-11	+23	+88



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	123.21	+4.32	+32.93	+58.41
West Texas Oil	119.26	+3.01	+30.70	+58.32
Gold \$	1998.1	+1.51	+9.77	+9.28

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