

EUR/USD just above \$1.09

Trading conditions on financial markets remained quite volatile yesterday, as the risk averse tone to sentiment continued. This was against the backdrop of the ongoing conflict in Ukraine. The Euro Stoxx 50 edged 0.2% lower yesterday. On Wall Street, the S&P 500 finished down 0.7%. Currency-wise, the euro recovered some of the ground it lost recently against the dollar and sterling.

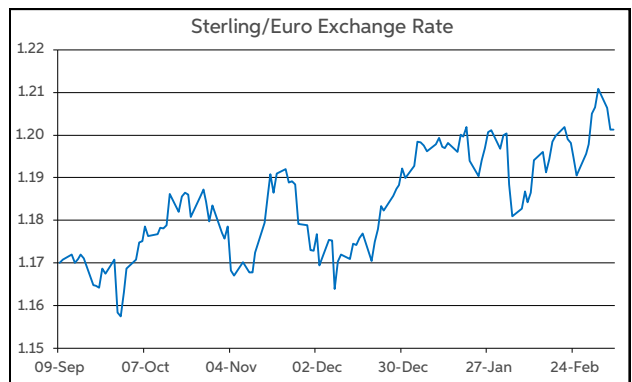
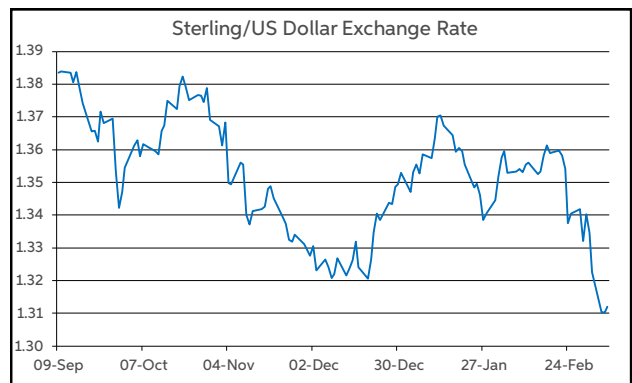
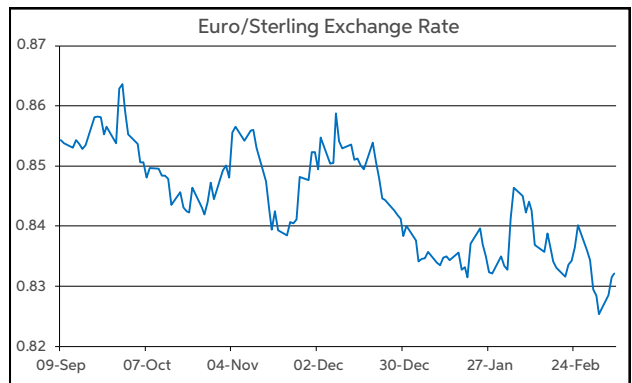
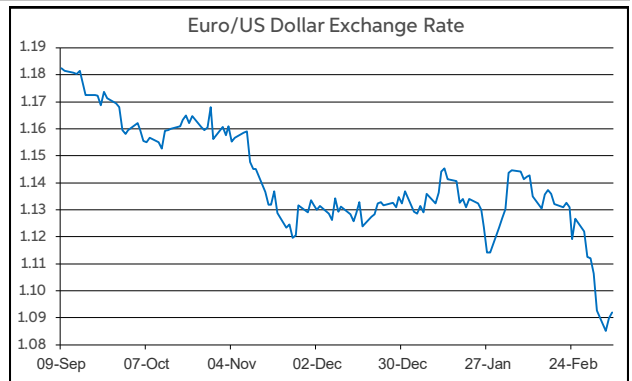
On bond markets, benchmark Eurozone yields rose by 4–12bps on reports that the EU is planning to issue joint-debt to finance increased defence and energy spending. The 10 year German Bund yield turned positive as a result, while the spread between core and periphery yields fell. However, the reports were later denied by EU Commissioner Timmermans.

Meanwhile, commodity prices continued to surge as President Biden confirmed that the US would ban imports of oil, and gas from Russia. The UK is planning to phase out all Russian oil imports by the end of the year. Meantime, the European Commission outlined a plan to reduce the blocs reliance on Russian gas by two-thirds this year. Oil prices closed up 2% for the day, just below \$129 per barrel, while US gas prices hit a record high.

On the currency front, the slightly firmer tone to the euro sees EUR/USD open this morning just above \$1.09. Elsewhere, EUR/GBP has regained the 83p handle. Cable (GBP/USD) continues to change hands near the \$1.31 mark

Today, markets will likely continue to be heavily influenced by developments related to the conflict in Ukraine. As a result, volatile trading conditions may persist. Any reports of further sanctions on the Russian energy sector will garner close attention in particular.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0917	0.54	-3.97
EUR/GBP	0.8321	0.48	-0.94
GBP/USD	1.3119	0.07	-3.03
GBP/EUR	1.2013	-0.48	0.95
USD/JPY	115.8	0.29	0.63
EUR/JPY	126.46	0.84	-3.37

* 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	1.39	1.83	1.85
EUR	0.00	-0.52	-0.50	-0.29	0.10	0.50
GBP	0.50	0.68	0.96	1.67	2.12	2.00

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

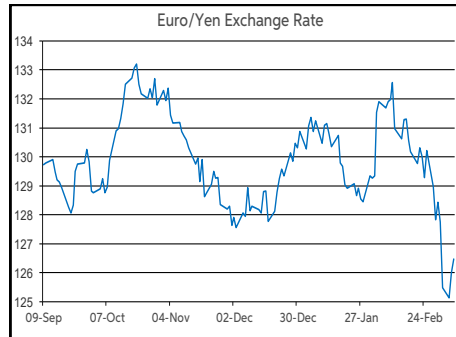
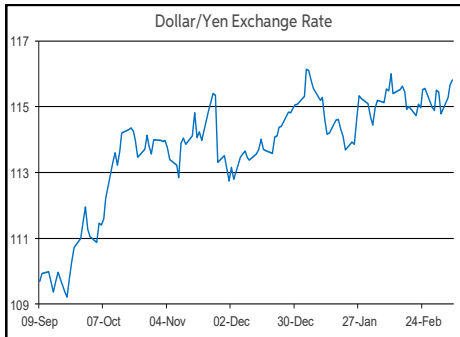
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

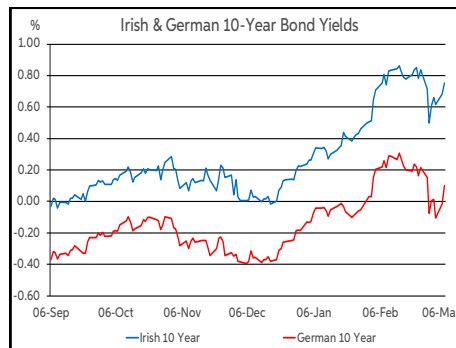
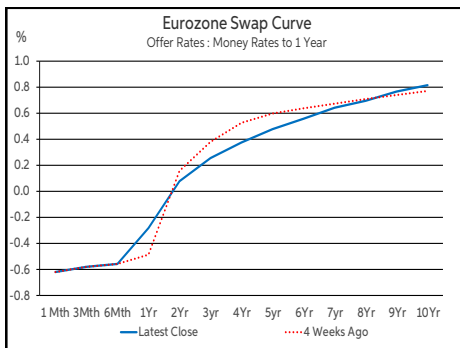
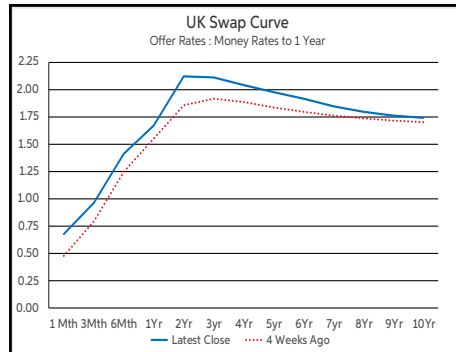
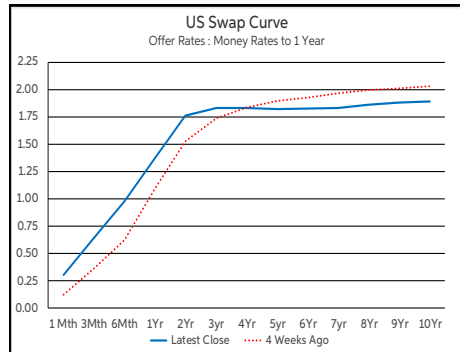
Wednesday 09 March 2022
07:21 am



Euro		Sterling		Dollar	
EUR/GBP	0.8321	GBP/EUR	1.2013	USD/JPY	115.8
EUR/USD	1.0917	GBP/USD	1.3119	USD/CAD	1.2866
EUR/JPY	126.46	GBP/CAD	1.688	USD/CHF	0.9286
EUR/SEK	10.8036	GBP/NZD	1.9247	USD/CNY	6.3164
EUR/DKK	7.4445	GBP/JPY	151.92	USD/BRL	5.0599
EUR/NOK	9.7712	GBP/SEK	12.9813	USD/RUB	120
EUR/CHF	1.0137	GBP/DKK	8.9441	USD/INR	76.813
EUR/AUD	1.4976	GBP/NOK	11.7347	AUD/USD	0.729
EUR/HKD	8.5379	GBP/CHF	1.2183	NZD/USD	0.6814
EUR/CAD	1.4047	GBP/AUD	1.7994		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.84	+6	-12	+33
Germany	0.11	+12	-16	+29
UK	1.45	+14	-4	+48
5 Year Swap %				
US	1.82	+8	-4	+49
Eurozone	0.48	+6	-11	+47
UK	1.98	+10	+15	+70
2 Year Swap %				
US	1.76	+7	+27	+82
Eurozone	0.08	+5	-7	+38
UK	2.12	+10	+27	+93
10 Year Government Bond Spreads to Benchmark bps				
Ireland	70	-5	+14	+27
Belgium	52	-3	+6	+16
France	45	-4	-0	+8
Italy	149	-12	-10	+13
Spain	95	-7	+8	+18
Portugal	82	-8	+2	+16
Greece	223	-15	+18	+73



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	127.98	+3.87	+40.98	+64.54
West Texas Oil	123.64	+3.67	+38.42	+64.13
Gold \$	2052.4	+2.72	+12.43	+12.25

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