

More positive mood on markets

Risk appetite improved substantially yesterday. Sentiment was boosted in part by tentative reports suggesting a diplomatic solution may be found to the current conflict in Ukraine. The Euro Stoxx 50 gained 7.4% on the day. The S&P 500 finished up 2.6%. Meanwhile, oil prices fell back to below \$115 per barrel. On bond markets, benchmark sovereign yields rose across the board.

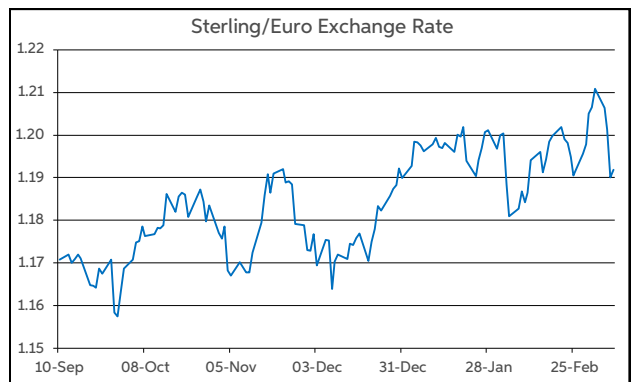
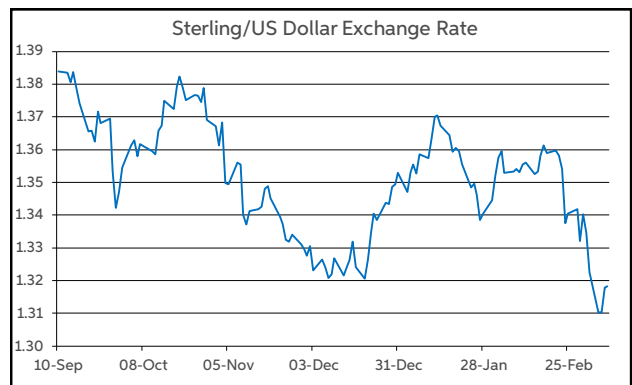
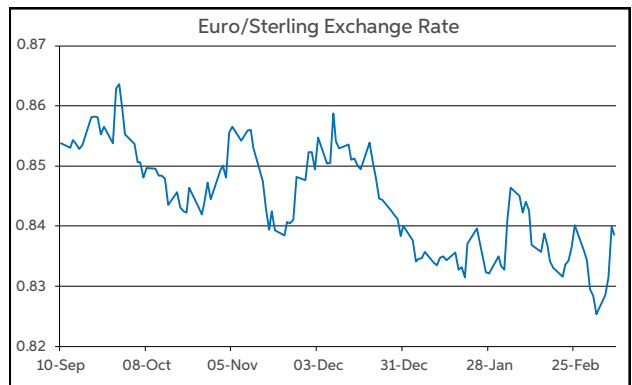
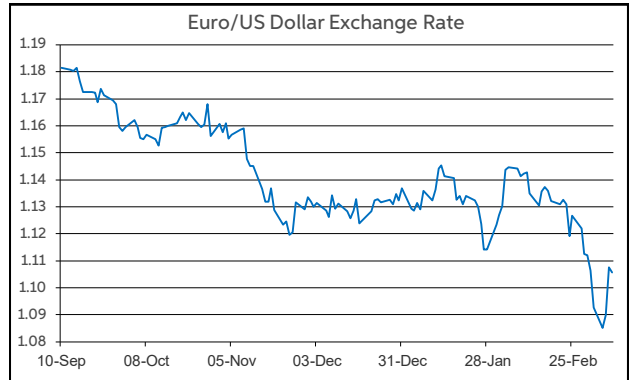
Currency-wise, the euro gained against a number of its peers, including the dollar, yen and sterling. Meantime, amid the firmer tone to risk appetite, safe havens such as the dollar and yen came under some downward pressure.

As trading gets underway this morning, the firmer tone to the euro sees EUR/USD open above the midpoint \$1.10-1.11, having started yesterday just above \$1.09. Elsewhere, EUR/GBP is operating just below the 84p mark. Cable (GBP/USD) is changing hands in the upper half of the \$1.31-1.32 range.

Ahead today, the main highlight will be the latest ECB monetary policy meeting. A difficult communication challenge awaits the central bank, as it tries to deal with the higher inflation environment amid the heightened uncertainty on the economic outlook, arising from the war in Ukraine. As a result, the ECB is unlikely to provide any clear policy guidance. However, the latest staff macro projections will garner close attention, in particular the inflation forecasts for 2023 and 2024.

Elsewhere, US CPI inflation data for February are due. Both the headline and core rates are projected to rise further, from already elevated levels. However, sentiment is likely to remain driven by developments relating to the conflict in Ukraine.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1059	1.33	-2.72
EUR/GBP	0.8388	0.77	-0.14
GBP/USD	1.318	0.53	-2.58
GBP/EUR	1.1914	-0.76	0.14
USD/JPY	115.96	0.16	0.76
EUR/JPY	128.25	1.49	-2.00

* 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	0.32	0.70	1.40	1.87	1.93
EUR	0.00	-0.53	-0.50	-0.26	0.14	0.54
GBP	0.50	0.69	0.98	1.67	2.15	2.05

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

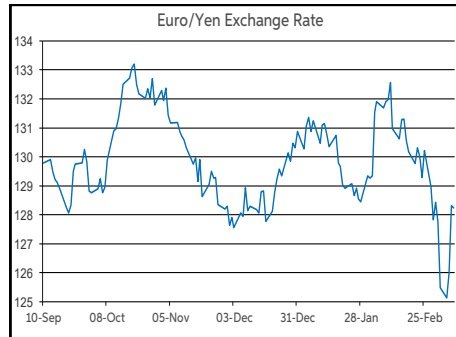
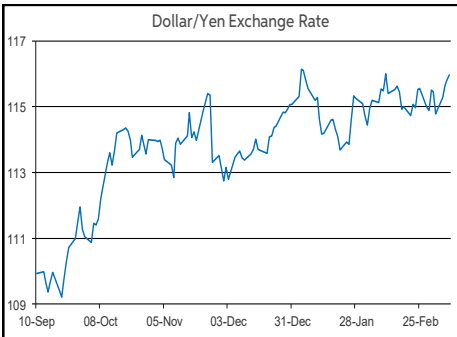
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

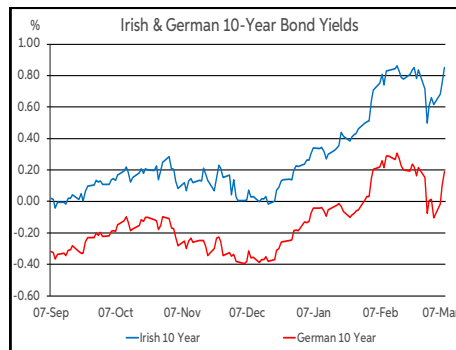
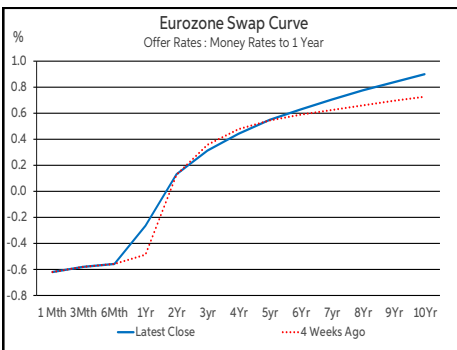
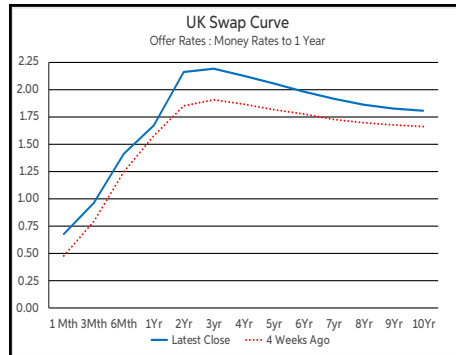
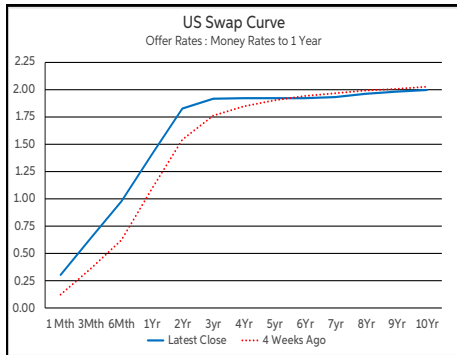
Thursday 10 March 2022
07:32 am



Euro		Sterling		Dollar	
EUR/GBP	0.8388	GBP/EUR	1.1915	USD/JPY	115.95
EUR/USD	1.106	GBP/USD	1.3183	USD/CAD	1.2808
EUR/JPY	128.27	GBP/CAD	1.6885	USD/CHF	0.927
EUR/SEK	10.7357	GBP/NZD	1.9253	USD/CNY	6.3198
EUR/DKK	7.4423	GBP/JPY	152.86	USD/BRL	5.0123
EUR/NOK	9.8609	GBP/SEK	12.7938	USD/RUB	120.299
EUR/CHF	1.0253	GBP/DKK	8.8687	USD/INR	76.19
EUR/AUD	1.5067	GBP/NOK	11.7514	AUD/USD	0.734
EUR/HKD	8.6485	GBP/CHF	1.2221	NZD/USD	0.6844
EUR/CAD	1.4166	GBP/AUD	1.7957		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.95	+11	+1	+44
Germany	0.19	+8	-3	+37
UK	1.52	+8	+9	+55
5 Year Swap %				
Ireland	0.92	+12	+16	+67
Belgium	0.72	+9	+4	+54
France	0.65	+9	-2	+45
Italy	1.67	+7	-10	+49
Spain	1.14	+8	+5	+54
Portugal	0.99	+6	-3	+50
Greece	2.38	+5	-9	+107
2 Year Swap %				
US	1.92	+8	+5	+59
Eurozone	0.55	+7	+1	+54
UK	2.06	+8	+24	+78
10 Year Government Bond Spreads to Benchmark bps				
Ireland	73	+3	+19	+30
Belgium	53	+1	+7	+17
France	46	+0	+1	+8
Italy	148	-1	-7	+12
Spain	95	-1	+8	+17
Portugal	80	-2	-1	+13
Greece	219	-4	-6	+70



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	111.14	-13.16	+21.40	+42.89
West Texas Oil	108.81	-11.99	+21.48	+44.44
Gold \$	1991.5	-2.97	+8.68	+8.92

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.