

Fed to hike rates today

Overall, there was a positive tone to investor sentiment on markets yesterday. The Euro Stoxx 50 finished flat for the day. Across the Atlantic, the S&P 500 closed up 2.1%. Equities were boosted by some more very tentative signs of progress from the ongoing talks between Ukraine and Russia, although, very little concrete information is known about the negotiations.

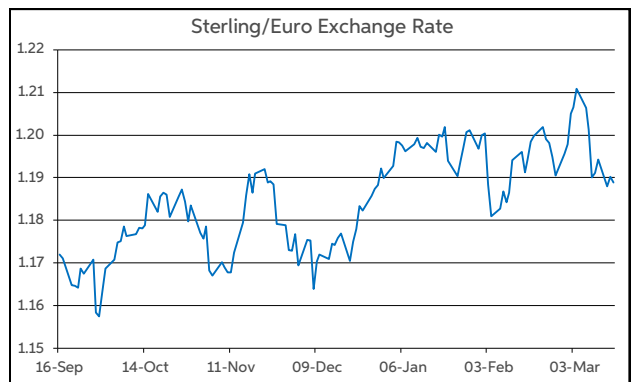
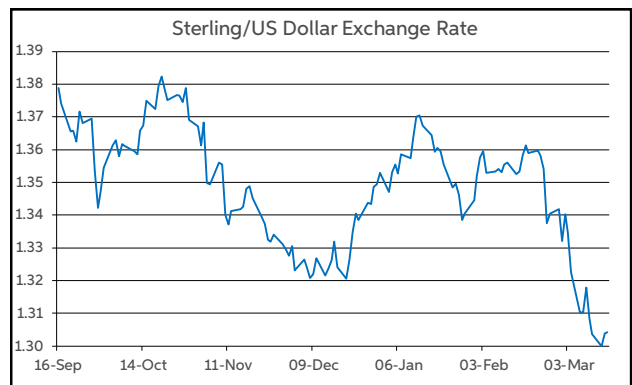
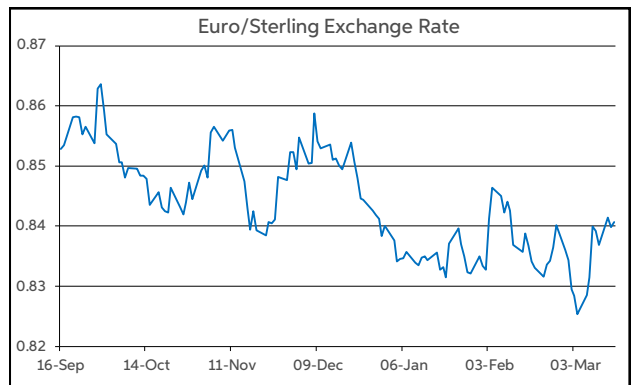
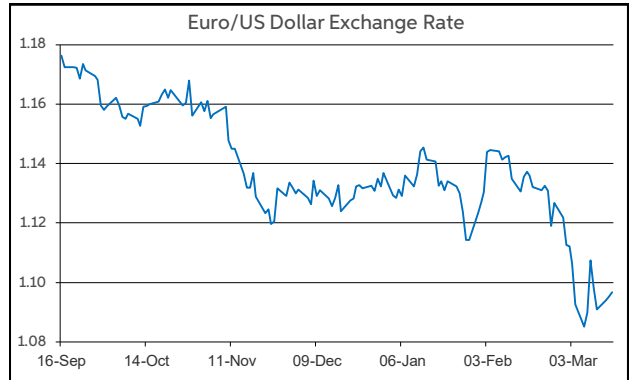
Elsewhere, concerns regarding rising Covid cases in China contributed to the continued decline in oil prices yesterday. Brent Crude fell back below \$100 per barrel in the process. Meanwhile, benchmark sovereign bond yields were little changed.

On the currency front, the main FX pairs operated within fairly narrow ranges. As trading gets underway this morning, the majors open at levels very similar to 24 hours earlier. EUR/USD starts today near the midpoint of the \$1.09-1.10 corridor. Elsewhere, EUR/GBP is changing hands just above the 84p mark. GBP/USD continues to operate in the lower half of the \$1.31-1.32 range.

Ahead today, the main event will be the conclusion of the US Fed monetary policy meeting (after the close in Europe). The Fed is widely expected to kick-start a series of rate hikes this year with a 25bps increase at this meeting. The latest interest rate dotplot in the updated Summary of Economic Projections and Chair Powell's press conference will garner close attention also.

Elsewhere in the US, retail sales are projected to rise by 0.4% in February. However, the release is unlikely to impact the dollar. Indeed, currency markets may remain range bound as investors keep their powder dry ahead of the Fed meeting. Investors will also be keeping a close eye on developments in Ukraine.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0966	-0.13	-3.54
EUR/GBP	0.8408	-0.12	0.10
GBP/USD	1.3038	-0.07	-3.63
GBP/EUR	1.1885	0.12	-0.10
USD/JPY	118.32	-0.01	2.82
EUR/JPY	129.78	-0.13	-0.83

* 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	0.43	0.88	1.59	2.08	2.22
EUR	0.00	-0.56	-0.50	-0.19	0.31	0.77
GBP	0.50	0.75	1.02	1.93	2.27	2.11

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

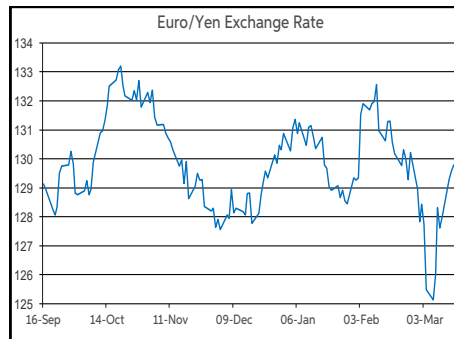
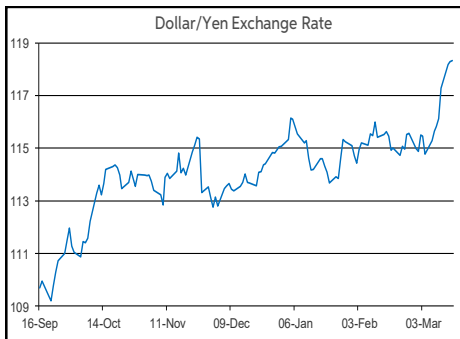
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

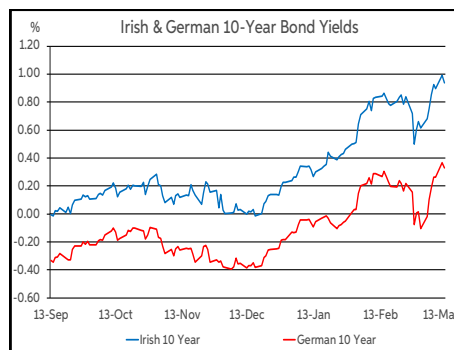
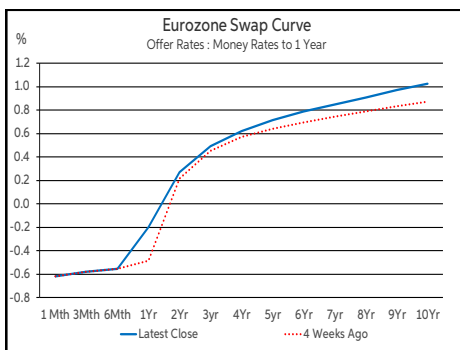
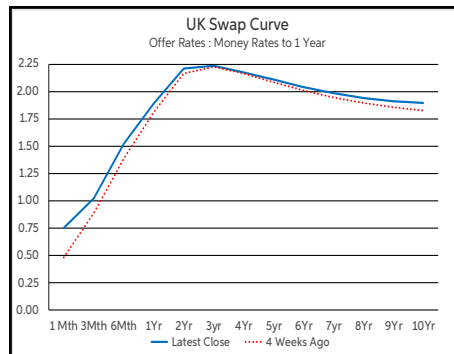
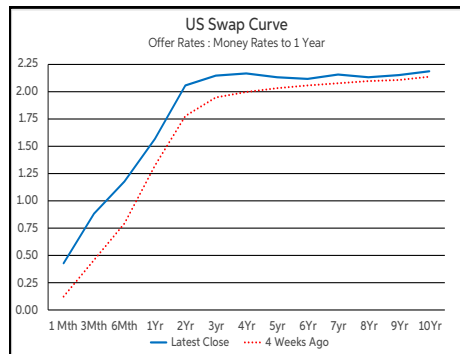
Wednesday 16 March 2022
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.8407	GBP/EUR	1.1887	USD/JPY	118.32
EUR/USD	1.0966	GBP/USD	1.304	USD/CAD	1.2744
EUR/JPY	129.76	GBP/CAD	1.6621	USD/CHF	0.9399
EUR/SEK	10.4689	GBP/NZD	1.9242	USD/CNY	6.3463
EUR/DKK	7.4396	GBP/JPY	154.29	USD/BRL	5.1631
EUR/NOK	9.8483	GBP/SEK	12.4445	USD/RUB	108.487
EUR/CHF	1.0311	GBP/DKK	8.8465	USD/INR	76.295
EUR/AUD	1.5186	GBP/NOK	11.7014	AUD/USD	0.7221
EUR/HKD	8.578	GBP/CHF	1.2259	NZD/USD	0.6775
EUR/CAD	1.3976	GBP/AUD	1.8058		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.15	+1	+11	+64
Germany	0.33	-4	+2	+51
UK	1.58	-2	-0	+61
5 Year Swap %				
US	2.13	-1	+12	+80
Eurozone	0.72	-3	+9	+71
UK	2.11	-3	+5	+84
2 Year Swap %				
US	2.06	+1	+32	+111
Eurozone	0.27	-4	+6	+57
UK	2.21	-2	+5	+102
10 Year Government Bond Spreads to Benchmark bps				
Ireland	63	+0	+6	+21
Belgium	55	+1	+5	+19
France	48	+1	+1	+11
Italy	158	-2	-9	+21
Spain	99	+0	-2	+21
Portugal	84	-1	-4	+18
Greece	233	+0	-7	+83



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	99.91	-6.54	+7.11	+28.45
West Texas Oil	96.42	-6.59	+4.72	+28.00
Gold \$	1917.8	-1.71	+3.50	+4.89

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