

## EU summit to remain in focus

There was a mixed mood on equity markets yesterday, amid choppy trading conditions. Sentiment was buffeted by newsflow from the NATO, European Council and G7 meetings taking place throughout the day. Overall, the Western Alliance agreed to strengthen its forces in Eastern Europe, increase military aid to Ukraine, and tighten sanctions against Russia. Crucially though, the EU has not moved yet to ban Russian energy imports. Oil moved back below \$120bbl.

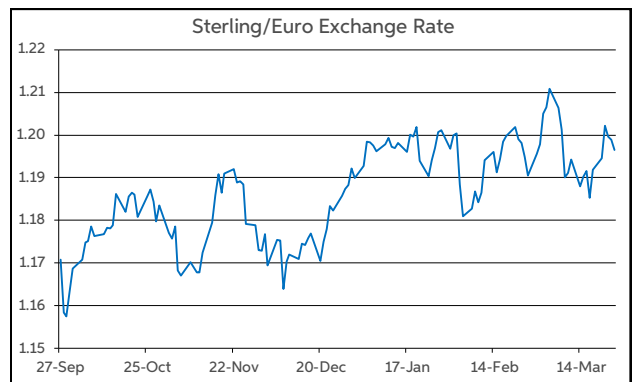
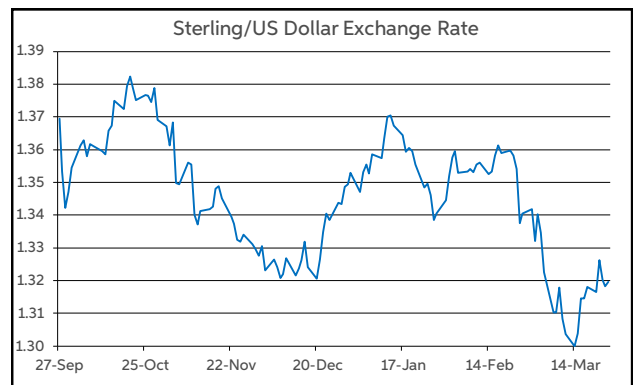
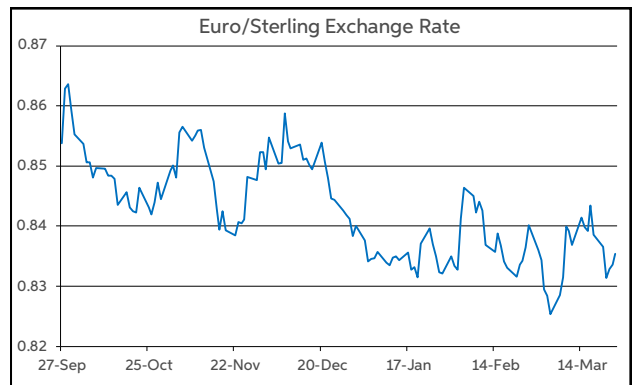
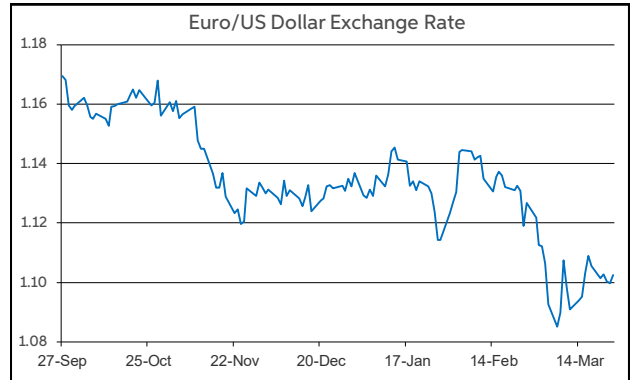
On bond markets, benchmark sovereign bond yields rose by 2-8bps, with the key German Bund 10-year yield closing above 0.5%. Meanwhile, on the currency front, the main pairs operated in relatively narrow ranges throughout the day. Of the limit moves to note, the euro was holding a slightly firmer tone.

Data-wise, the flash PMIs declined in the Eurozone, albeit not by as much as anticipated. In any case both the manufacturing and services indices remained comfortably in expansion mode. In the UK, the manufacturing PMI was weaker than expected, while the services PMI printed ahead of the consensus. In the US, both sector surveys beat the forecasts.

In level terms, EUR/USD starts today back above the \$1.10 threshold. EUR/GBP has edged up to the midpoint of the 83-84p range. Meantime, GBP/USD continues to operate near \$1.32.

Ahead today, the main release of note will be the German Ifo for March. Similar to the PMIs, the Ifo is forecast to move lower as the War in Ukraine and elevated inflation weigh on sentiment. Headlines from the EU summit may also impact the mood on markets throughout the day.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1024	0.43	-3.03
EUR/GBP	0.8353	0.35	-0.56
GBP/USD	1.3195	0.09	-2.47
GBP/EUR	1.1965	-0.35	0.56
USD/JPY	121.79	0.30	5.83
EUR/JPY	134.3	0.75	2.62

\* 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	0.375	0.46	0.97	1.86	2.38	2.48
EUR	0.00	-0.55	-0.49	-0.15	0.43	0.90
GBP	0.75	0.73	1.00	1.83	2.19	2.14

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

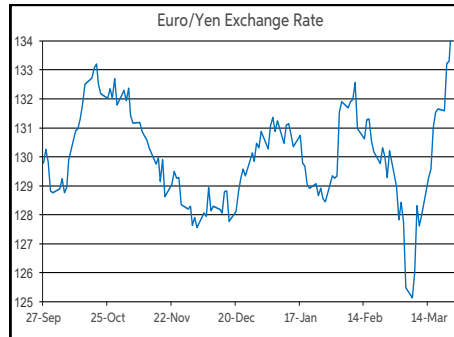
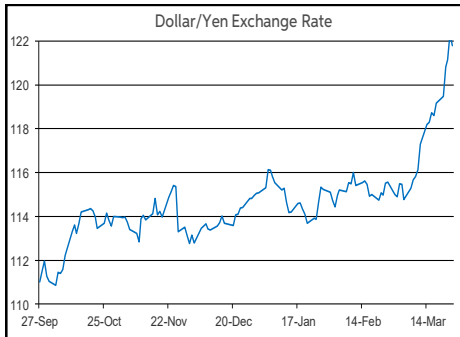
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

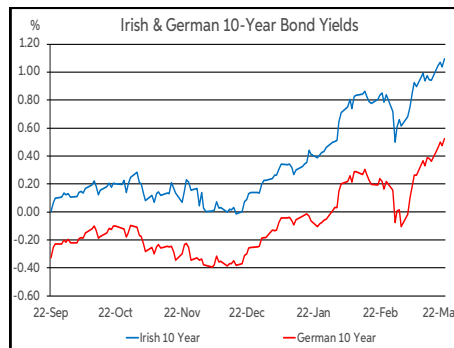
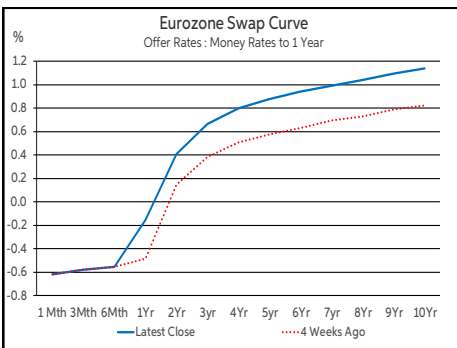
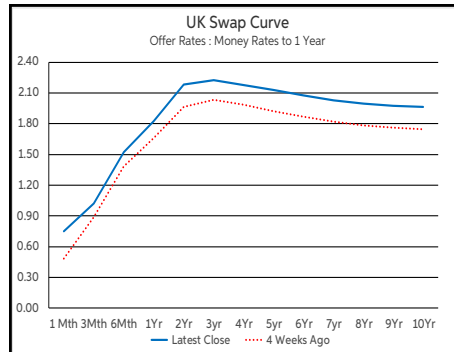
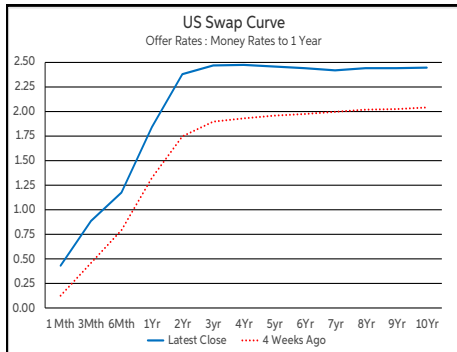
Friday 25 March 2022  
07:37 am



Euro		Sterling		Dollar	
EUR/GBP	0.8353	GBP/EUR	1.1965	USD/JPY	121.79
EUR/USD	1.1024	GBP/USD	1.3195	USD/CAD	1.2543
EUR/JPY	134.3	GBP/CAD	1.6552	USD/CHF	0.9269
EUR/SEK	10.3715	GBP/NZD	1.8961	USD/CNY	6.3635
EUR/DKK	7.4399	GBP/JPY	160.7	USD/BRL	4.8268
EUR/NOK	9.5675	GBP/SEK	12.4123	USD/RUB	99
EUR/CHF	1.0221	GBP/DKK	8.903	USD/INR	76.25
EUR/AUD	1.4694	GBP/NOK	11.4503	AUD/USD	0.7503
EUR/HKD	8.6281	GBP/CHF	1.2233	NZD/USD	0.6957
EUR/CAD	1.3828	GBP/AUD	1.7586		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	2.37	+8	+40	+86
Germany	0.53	+5	+36	+71
UK	1.65	+2	+20	+68
<b>5 Year Swap %</b>				
US	2.46	+11	+54	+112
Eurozone	0.88	+8	+31	+87
UK	2.13	+1	+23	+86
<b>2 Year Swap %</b>				
US	2.38	+6	+67	+144
Eurozone	0.41	+5	+28	+71
UK	2.19	-0	+22	+99
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	60	+1	-4	+17
Belgium	48	-2	-4	+12
France	46	+1	-3	+8
Italy	153	+2	-11	+17
Spain	89	-1	-12	+12
Portugal	78	-2	-13	+11
Greece	226	-0	-19	+77



Commodities				
	Close	% Change		
		Day	4 Weeks	End 21
Brent Oil	119.03	-2.11	+20.14	+53.03
West Texas Oil	114.2	-0.60	+23.10	+51.60
Gold \$	1957.5	+0.73	+2.86	+7.06

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