

## Sterling slightly weaker

Investor sentiment was holding a slightly more positive tone at the start of the week. Equity markets on both sides of the Atlantic finished the day higher. The Euro Stoxx 50 gained a modest 0.5%. On Wall Street, the S&P 500 rose by 0.7%.

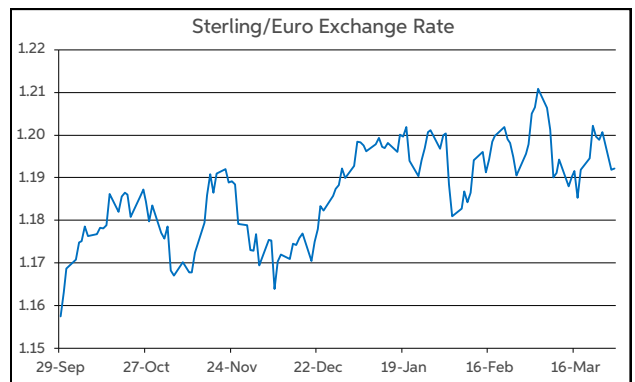
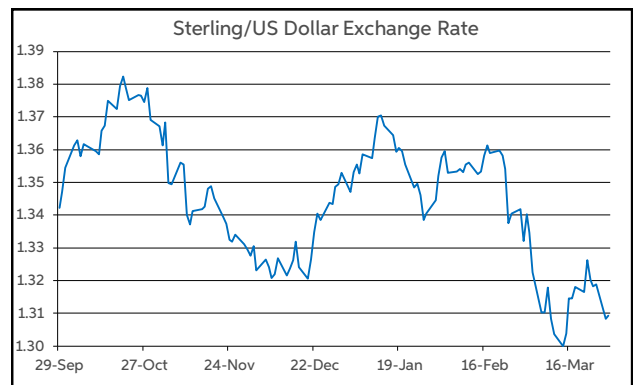
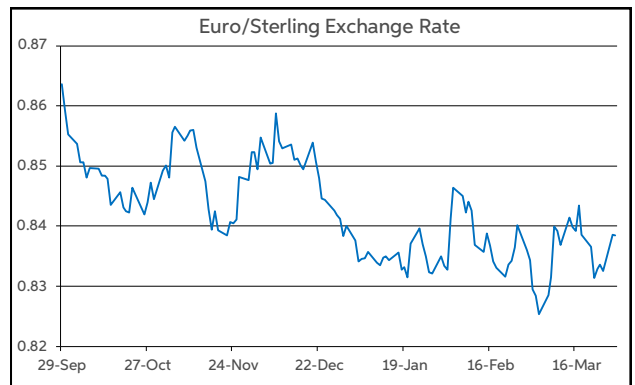
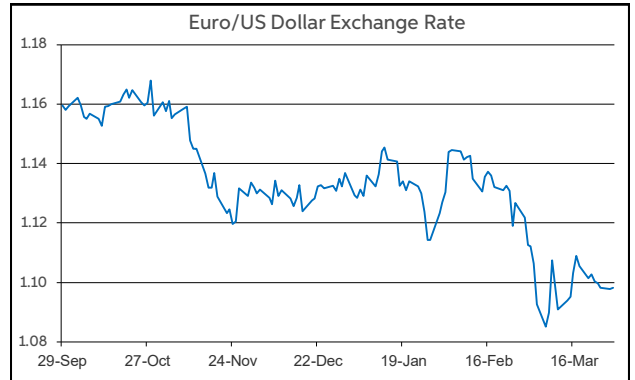
On bond markets, having surged higher last week, US Treasury and UK Gilt yields declined yesterday. They fell by 4-8bps along their respective curves. Meanwhile, oil moved back towards \$110 per barrel, due to concerns over a fall in demand stemming from China's zero-Covid policy.

On the currency front, the main pairs operated in relatively narrow trading ranges. Of the limited moves to note, sterling was holding a somewhat weaker tone, while the euro was slightly firmer. Elsewhere, the yen remained on the defensive, as the Bank of Japan stepped in to stop 10Yr JGB yields from rising above 0.25%. USD/JPY briefly rose above ¥125 for the first time since August 2015 as a result.

In level terms, the downward pressure on sterling is reflected by EUR/GBP operating up in the top half of the 83-84p range, having started the week below the midpoint. GBP/USD is changing hands just below the \$1.31 mark, having spent all of last week above this threshold. Meantime, EUR/USD has edged up closer to \$1.10. USD/JPY is currently trading within the ¥123-124 band.

Turning to the day ahead, there is a relatively quiet data schedule once again. Thus, sentiment is likely to be driven by developments around the higher interest rate/inflation outlook, as well as remaining sensitive to Russia/Ukraine newsflow including the resumption of face-to-face negotiations.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0985	0.30	-3.37
EUR/GBP	0.8386	0.66	-0.17
GBP/USD	1.3096	-0.38	-3.20
GBP/EUR	1.1917	-0.66	0.17
USD/JPY	123.53	0.39	7.34
EUR/JPY	135.7	0.68	3.69

\* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.375	0.45	0.98	2.00	2.63	2.63
EUR	0.00	-0.55	-0.48	-0.10	0.50	0.99
GBP	0.75	0.73	1.02	1.86	2.23	2.14

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

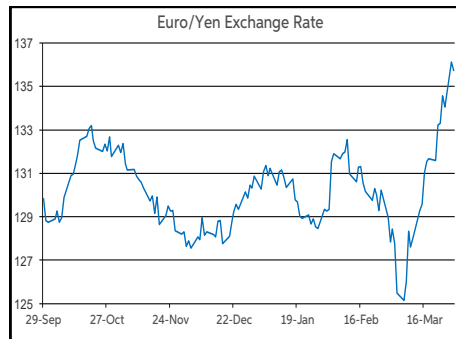
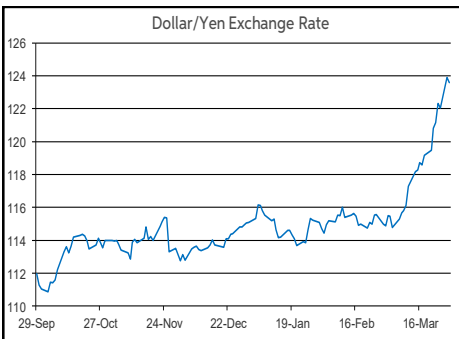
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

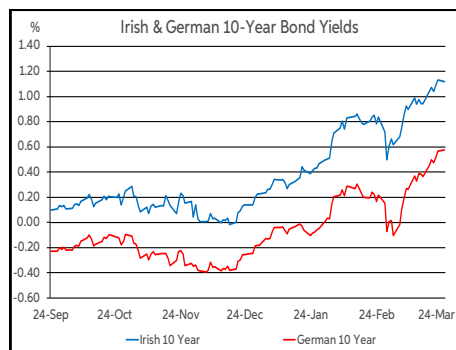
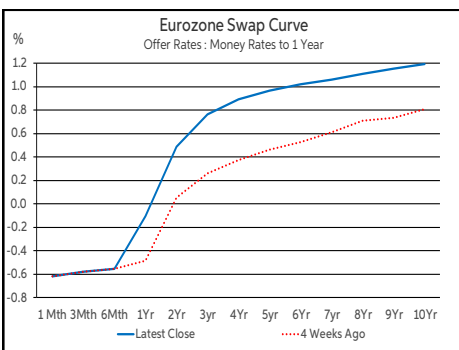
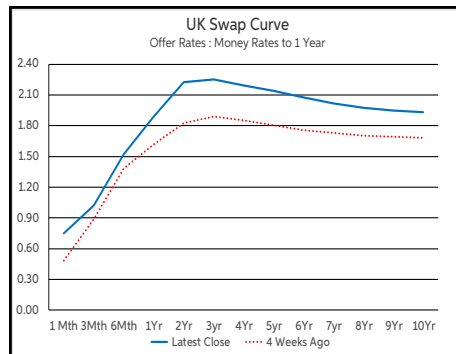
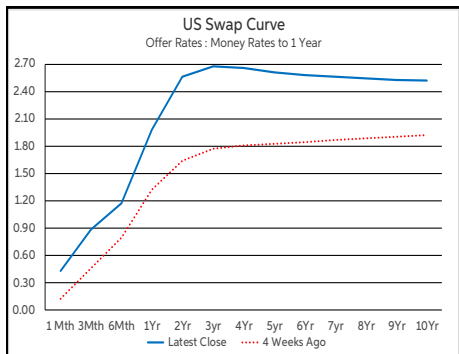
Tuesday 29 March 2022  
07:02 am



Euro		Sterling		Dollar	
EUR/GBP	0.8386	GBP/EUR	1.1917	USD/JPY	123.51
EUR/USD	1.0985	GBP/USD	1.3096	USD/CAD	1.2511
EUR/JPY	135.71	GBP/CAD	1.6387	USD/CHF	0.9335
EUR/SEK	10.4039	GBP/NZD	1.8978	USD/CNY	6.3684
EUR/DKK	7.4381	GBP/JPY	161.75	USD/BRL	4.7654
EUR/NOK	9.5349	GBP/SEK	12.401	USD/RUB	89.375
EUR/CHF	1.0256	GBP/DKK	8.8656	USD/INR	75.97
EUR/AUD	1.4659	GBP/NOK	11.366	AUD/USD	0.7494
EUR/HKD	8.5997	GBP/CHF	1.2227	NZD/USD	0.69
EUR/CAD	1.3746	GBP/AUD	1.7475		



Debt Markets				
	Close	Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	2.47	-2	+64	+95
Germany	0.58	+1	+42	+76
UK	1.62	-8	+20	+65
<b>5 Year Swap %</b>				
US	2.61	+2	+83	+128
Eurozone	0.97	+2	+51	+96
UK	2.14	-6	+35	+86
<b>2 Year Swap %</b>				
US	2.57	+6	+96	+162
Eurozone	0.49	+3	+45	+79
UK	2.23	-5	+40	+103
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	56	-3	-3	+13
Belgium	44	-3	-4	+8
France	42	-2	-4	+5
Italy	153	+2	-6	+16
Spain	87	-0	-10	+10
Portugal	77	+2	-10	+11
Greece	225	+4	-13	+76



Commodities				
	Close	Day	4 Weeks	End 21
Brent Oil	112.48	-6.77	+11.38	+44.61
West Texas Oil	107.55	-7.44	+11.88	+42.77
Gold \$	1923.2	-1.75	+0.80	+5.19

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