

EUR/GBP just above 85p

Equity markets moved lower on both sides of the Atlantic yesterday, following strong gains the day before. The Euro Stoxx 50 fell by 1.1%. On Wall Street, the S&P 500 closed down 0.6%. Meanwhile, negotiations between Russia and Ukraine continued, although, little further progress appears to have been made yesterday. Talks are set to continue online today.

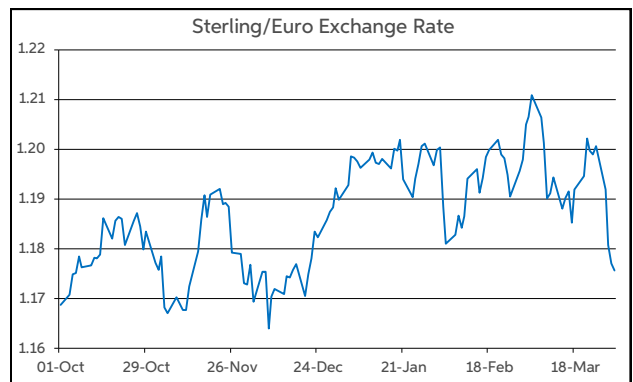
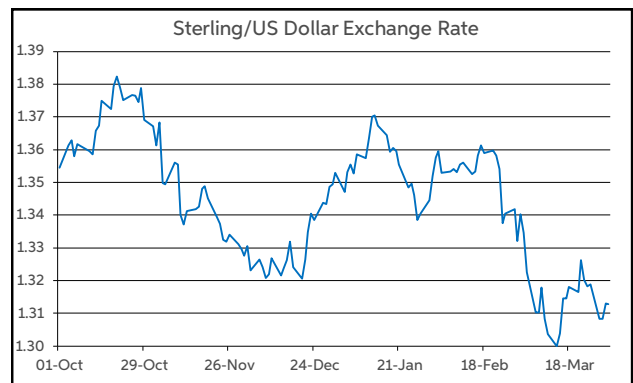
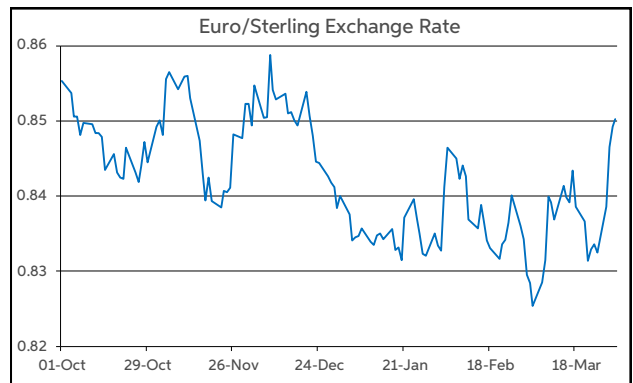
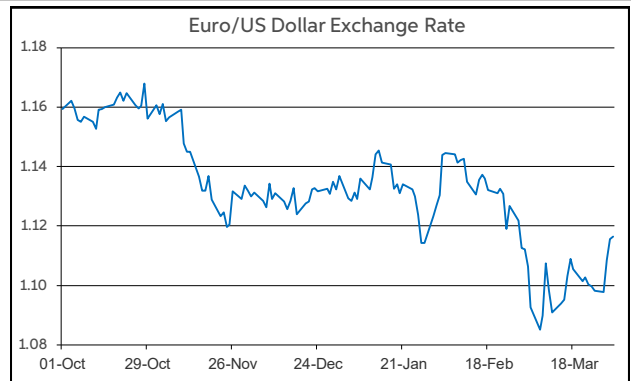
On the currency front, the euro continued to gather some upward momentum. This was reflected by the single currency registering some modest gains versus the dollar and sterling. Elsewhere, sterling edged slightly higher versus the dollar also. The moves coincided with euro and UK swap rates drifting higher yesterday, while US rates came under some downward pressure.

Data-wise, both the industrial and services EC sentiment indices printed ahead of expectations in March. Indeed, the services index actually increased having been forecast to decline, as the sector continued to rebound from the removal of Covid-19 restrictions. Elsewhere, German HICP inflation rose by more than the consensus (6.7%) to 7.6% in March.

As trading gets underway this morning, the firmer tone to the euro sees EUR/USD open above the midpoint of \$1.11-1.12. EUR/GBP is changing hands just above the 85p mark. GBP/USD continues to operate in the bottom half of the \$1.31-1.32 range.

Turning to the day ahead, there is a busy data schedule in the US. The main release of note, core-PCE inflation is projected to rise to 5.5% from 5.2%. US consumption and income data are also due. Meanwhile, in the Eurozone, the unemployment rate is forecast to inch slightly lower to 6.7% in February from 6.8%.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2021 |
| EUR/USD | 1.1166 | 0.51 | -1.78 |
| EUR/GBP | 0.8504 | 0.28 | 1.24 |
| GBP/USD | 1.3126 | 0.20 | -2.98 |
| GBP/EUR | 1.1753 | -0.28 | -1.22 |
| USD/JPY | 121.8 | -0.07 | 5.84 |
| EUR/JPY | 136 | 0.41 | 3.92 |

* 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 | 1.01 | 1.90 | 2.51 | 2.50 |
| EUR | 0.00 | -0.53 | -0.47 | -0.06 | 0.62 | 1.11 |
| GBP | 0.75 | 0.73 | 1.03 | 1.89 | 2.29 | 2.21 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

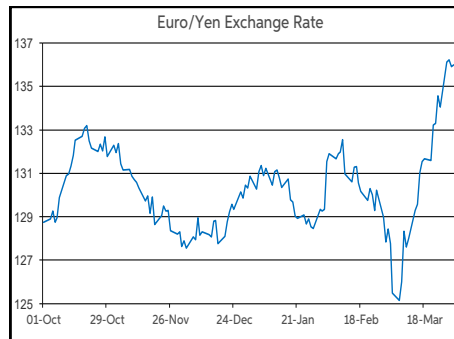
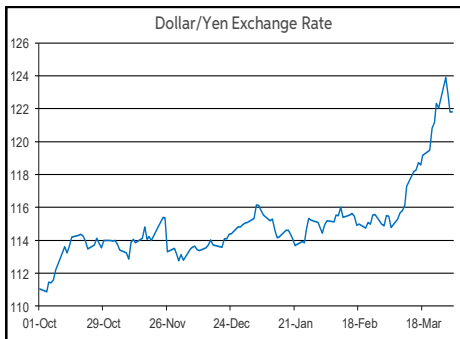
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|---------|--|----------------|------------|------------------|---------------------------|-----------------|-----------------------------------|
| FX Spot | Karl Cooke Shane Gargan Enda Homan | FX Options | Mark Tuite | Reuters Phone | AIBG.I 00353-1-7724018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

Opening Levels

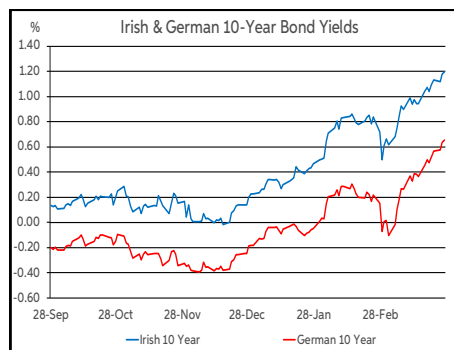
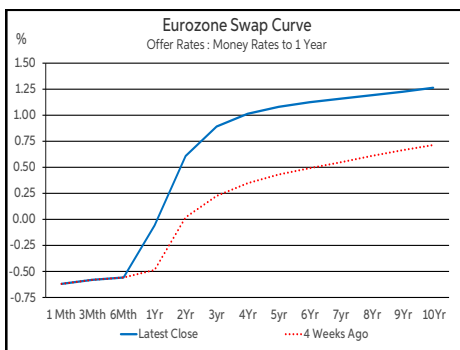
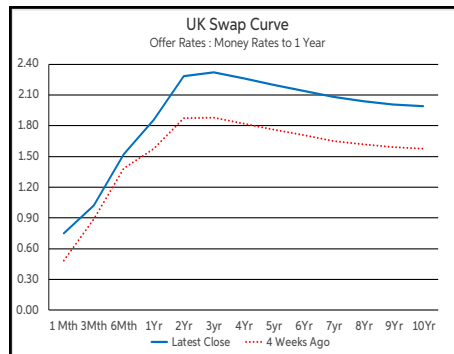
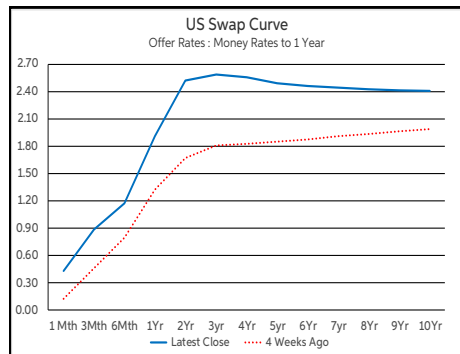
Thursday 31 March 2022
07:25 am



| Euro | | Sterling | | Dollar | |
|---------|--------|----------|---------|---------|--------|
| EUR/GBP | 0.8504 | GBP/EUR | 1.1754 | USD/JPY | 121.81 |
| EUR/USD | 1.1165 | GBP/USD | 1.3128 | USD/CAD | 1.2513 |
| EUR/JPY | 136.02 | GBP/CAD | 1.6429 | USD/CHF | 0.9232 |
| EUR/SEK | 10.34 | GBP/NZD | 1.8883 | USD/CNY | 6.3467 |
| EUR/DKK | 7.4375 | GBP/JPY | 159.9 | USD/BRL | 4.7704 |
| EUR/NOK | 9.6314 | GBP/SEK | 12.1547 | USD/RUB | 76 |
| EUR/CHF | 1.0311 | GBP/DKK | 8.7425 | USD/INR | 75.791 |
| EUR/AUD | 1.4923 | GBP/NOK | 11.3178 | AUD/USD | 0.7479 |
| EUR/HKD | 8.7411 | GBP/CHF | 1.2122 | NZD/USD | 0.6949 |
| EUR/CAD | 1.3975 | GBP/AUD | 1.7545 | | |



| Debt Markets | | | | |
|---|-------|------------|---------|--------|
| | Close | Change bps | | |
| | | Day | 4 Weeks | End 21 |
| 10 Year Yield % | | | | |
| US | 2.36 | -4 | +48 | +85 |
| Germany | 0.66 | +2 | +65 | +84 |
| UK | 1.67 | +1 | +40 | +69 |
| Ireland | | | | |
| Ireland | 1.20 | -0 | +57 | +95 |
| Belgium | 1.12 | +2 | +58 | +94 |
| France | 1.08 | +1 | +60 | +88 |
| Italy | 2.13 | +0 | +58 | +95 |
| Spain | 1.55 | +3 | +54 | +95 |
| Portugal | 1.46 | +4 | +61 | +97 |
| Greece | 2.77 | -9 | +42 | +146 |
| 5 Year Swap % | | | | |
| US | 2.49 | -4 | +68 | +116 |
| Eurozone | 1.08 | +5 | +66 | +107 |
| UK | 2.20 | +5 | +46 | +93 |
| 2 Year Swap % | | | | |
| US | 2.52 | -5 | +89 | +158 |
| Eurozone | 0.61 | +6 | +60 | +91 |
| UK | 2.29 | +5 | +42 | +109 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 54 | -2 | -8 | +12 |
| Belgium | 46 | +1 | -7 | +11 |
| France | 42 | -1 | -5 | +5 |
| Italy | 148 | -2 | -7 | +11 |
| Spain | 89 | +2 | -11 | +12 |
| Portugal | 80 | +2 | -4 | +13 |
| Greece | 212 | -11 | -23 | +62 |



| Commodities | | | | |
|----------------|----------|-------|---------|--------|
| | % Change | | | |
| | Close | Day | 4 Weeks | End 21 |
| Brent Oil | 113.45 | +2.92 | +0.46 | +45.86 |
| West Texas Oil | 107.81 | +3.41 | -2.65 | +43.12 |
| Gold \$ | 1933.1 | +0.72 | +0.36 | +5.72 |

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