FX and XCCY Swap Markets
A Market Update

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€/$ XCCY Swap Basis (3M to 10Y)
RFR/RFR and 3M/3M XCCY swap spreads

- Volatility in the short end for €STR vs SOFR XCCY has somewhat reduced since our March meeting after the market had some time to digest and better assess the initial uncertainty around what the war could mean for markets and economies.

- XCCY €STR vs SOFR spreads do still trade higher compared to those prior to Feb 24, 2022 due to an still elevated level of uncertainty priced by the markets, especially around future central bank actions, inflation fears as well as concerns around USD liquidity and funding levels.

- XCCY swap spreads vs 3s especially from 1Y and out do show a steadier recovery towards tighter spreads as the 3M/RFR basis spreads on either side are not included (see 3M vs RFR spreads on next slide).
3M vs RFR Swap Basis Spreads (3M to 10Y)
EUR and USD

3ME vs €STR
Spread developments in 3M across these currency pairs do show a slightly different pattern since Feb 24, 2022 vs the ones from before, i.e. no longer as consistent as before.
RUB vs EUR and vs USD

Quite some turnaround for the RUB currency, even after rate cuts.