

Sterling trading remains volatile

In the context of the frenzied action seen in recent weeks, there was a somewhat calmer tone on markets yesterday. Although, sterling did continue to trade in a wide range. There was no standout reason behind the volatility.

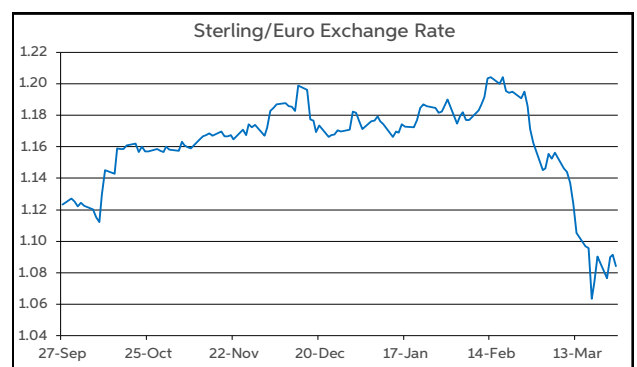
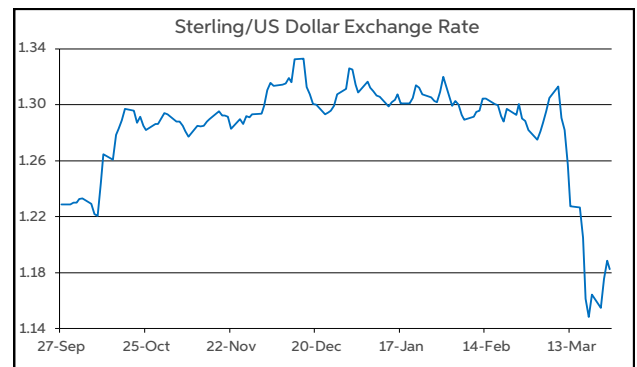
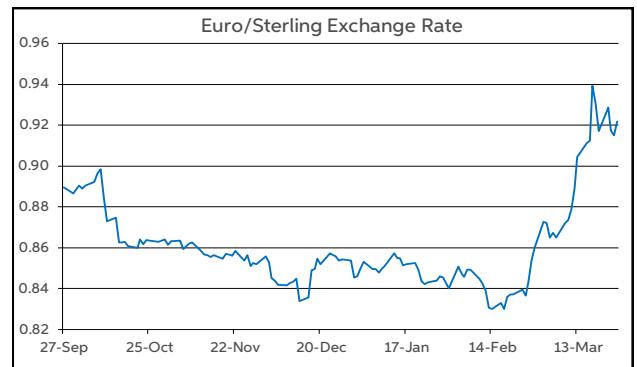
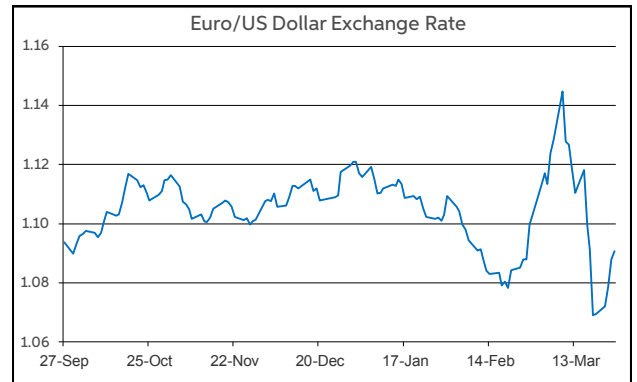
The large swings in sterling were reflected in cable (GBP/USD) moving within a \$1.165-1.20 band yesterday. It is trading this morning near the \$1.18 level, broadly unchanged from yesterday's open. Meanwhile, a firmer tone to the euro sees EUR/GBP at 92p, while EUR/USD has regained the \$1.09 handle.

Elsewhere, US equities rose for a second straight session, though the gains were more modest yesterday. The S&P 500 closed up 1.2%. Overnight, Asian-Pacific markets eked out some gains, but the Nikkei did fall by a sharp 4.5%. Against the uncertain economic backdrop, sentiment remains fragile.

Today, the BoE will hold its March policy meeting. Although, it is unclear if any further easing will be carried out as the central bank has already cut the Bank rate by 65bps to 0.1% and launched an additional £200bn QE programme at two emergency meetings earlier in the month. Given the somewhat calmer mood on markets this week, the BoE may refrain from further policy action today.

More generally, the focus for investors will remain centred on the coronavirus and the efforts to halt its spread/mitigate its economic impact. On that note, EU Leaders will tonight discuss coordinated responses to the coronavirus, including debt financing. Data-wise, weekly jobless claims due in the US will also offer an insight into the initial damage the virus has wreaked on the labour market. The forecast is for an unprecedented rise of 1m.

Conor Beakey, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2019 |
| EUR/USD | 1.0906 | 0.84 | -2.71 |
| EUR/GBP | 0.9219 | 1.02 | 9.05 |
| GBP/USD | 1.1826 | -0.19 | -10.81 |
| GBP/EUR | 1.084 | -1.01 | -8.30 |
| USD/JPY | 110.51 | -0.63 | 1.75 |
| EUR/JPY | 120.53 | 0.19 | -1.07 |

* v Previous Day's European Open

See Next Page for More Rates

| Opening Interest Rates | | | | | | |
|------------------------|-----------|------------|-------|--------|-----------|-------|
| | Base Rate | Short Term | | | Long Term | |
| | | 1-Mth | 3-Mth | 12-Mth | 2-Yr | 5-Yr |
| USD | 0.125 | 0.96 | 1.27 | 0.99 | 0.49 | 0.58 |
| EUR | 0.00 | -0.46 | -0.37 | -0.19 | -0.27 | -0.13 |
| GBP | 0.10 | 0.25 | 0.55 | 0.81 | 0.50 | 0.53 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

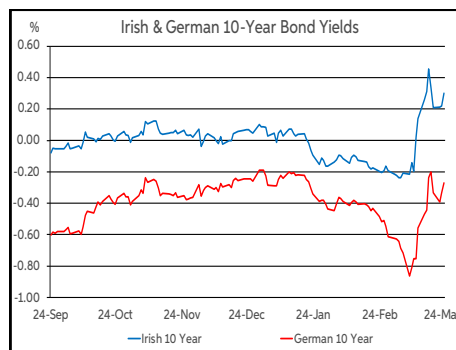
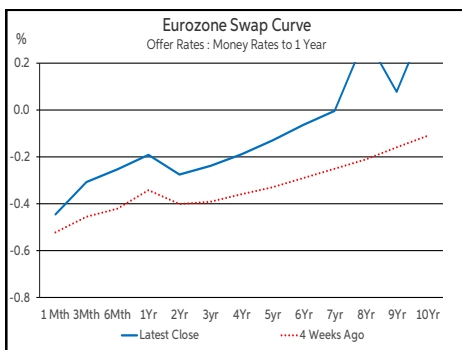
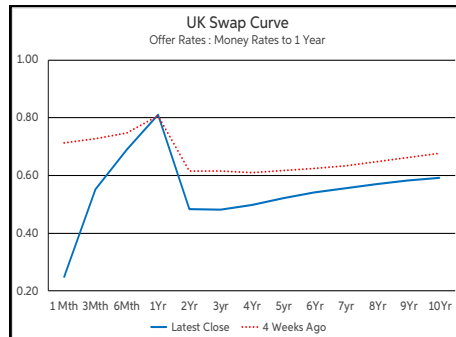
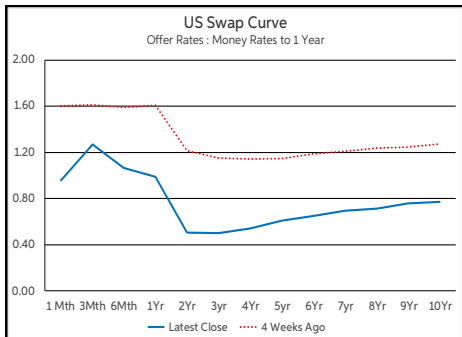
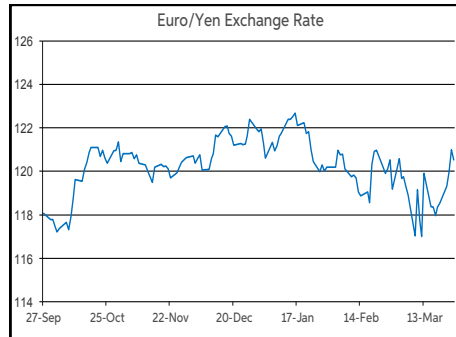
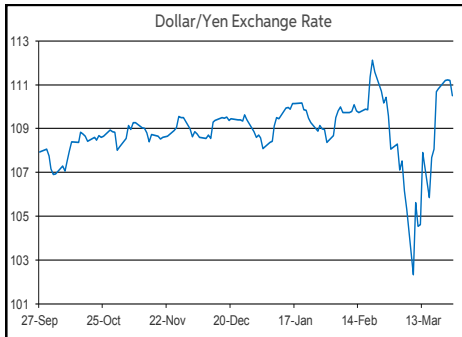
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Opening Levels

Thursday 26 March 2020
07:03 am



| Euro | | Sterling | | Dollar | |
|---------|---------|----------|---------|---------|---------|
| EUR/GBP | 0.9219 | GBP/EUR | 1.084 | USD/JPY | 110.51 |
| EUR/USD | 1.0906 | GBP/USD | 1.1826 | USD/CAD | 1.4273 |
| EUR/JPY | 120.53 | GBP/CAD | 1.6884 | USD/CHF | 0.9739 |
| EUR/SEK | 11.0576 | GBP/NZD | 2.0312 | USD/CNY | 7.0975 |
| EUR/DKK | 7.4698 | GBP/JPY | 130.71 | USD/BRL | 5.0345 |
| EUR/NOK | 11.701 | GBP/SEK | 12.009 | USD/RUB | 79.0025 |
| EUR/CHF | 1.0624 | GBP/DKK | 8.0983 | USD/INR | 75.27 |
| EUR/AUD | 1.8397 | GBP/NOK | 12.6618 | AUD/USD | 0.5928 |
| EUR/HKD | 8.4567 | GBP/CHF | 1.1521 | NZD/USD | 0.5821 |
| EUR/CAD | 1.5569 | GBP/AUD | 1.9951 | | |



| Debt Markets | | | | |
|---|-------|------------|---------|--------|
| | Close | Change bps | | |
| | | Day | 4 Weeks | End 19 |
| 10 Year Yield % | | | | |
| US | 0.86 | +1 | -47 | -106 |
| Germany | -0.27 | +6 | +24 | -8 |
| UK | 0.44 | -4 | -6 | -38 |
| 5 Year Swap % | | | | |
| US | 0.61 | -0 | -54 | -110 |
| Eurozone | -0.13 | +1 | +20 | -1 |
| UK | 0.52 | -3 | -10 | -37 |
| 2 Year Swap % | | | | |
| US | 0.51 | -2 | -71 | -119 |
| Eurozone | -0.27 | -0 | +13 | +2 |
| UK | 0.48 | -1 | -13 | -33 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 57 | +2 | +25 | +29 |
| Belgium | 52 | -3 | +18 | +25 |
| France | 47 | -5 | +20 | +16 |
| Italy | 179 | -9 | +30 | +23 |
| Spain | 112 | -7 | +38 | +48 |
| Portugal | 125 | -11 | +54 | +64 |
| Greece | 254 | -18 | +88 | +95 |

| Commodities | | | | |
|----------------|----------|-------|---------|--------|
| | % Change | | | |
| | Close | Day | 4 Weeks | End 19 |
| Brent Oil | 27.39 | +0.88 | -48.74 | -58.50 |
| West Texas Oil | 20.75 | -1.33 | -57.37 | -66.06 |
| Gold \$ | 1614.3 | -1.21 | -1.59 | +6.36 |

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