

Sentiment remains fragile

Financial markets rounded off what was a difficult month with a somewhat muted session yesterday. The main action was on FX markets, where the euro was on the back foot for much of the day. However, it has since recovered much of the lost ground. At the same time, sterling has managed to edge marginally higher, while the yen has also seen some support.

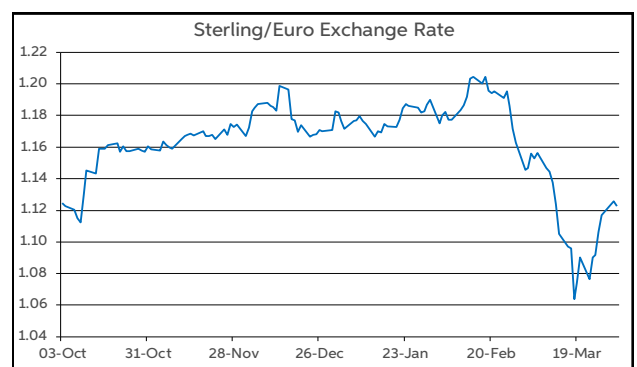
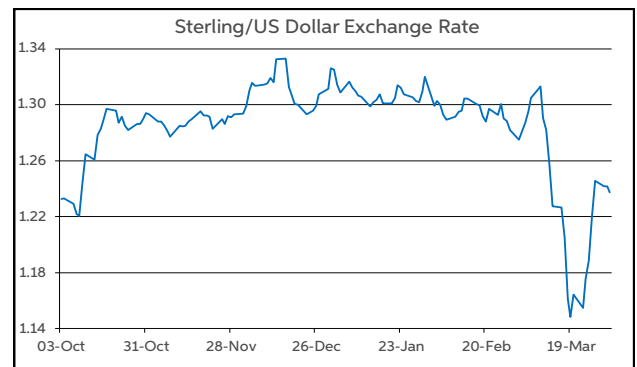
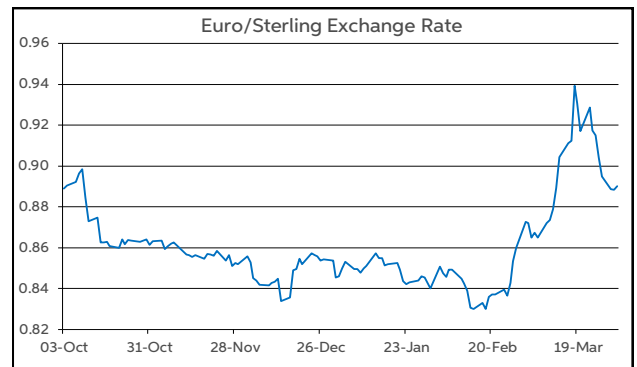
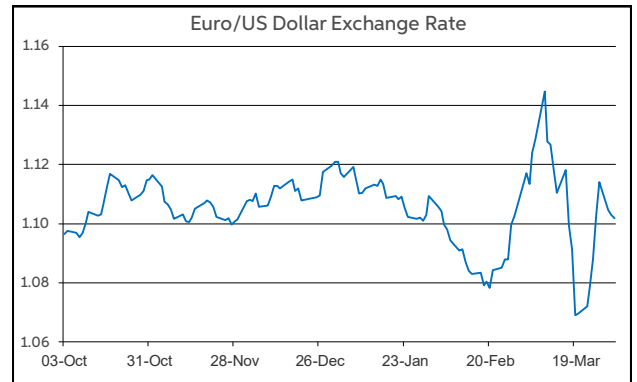
In level terms, all of the above is reflected in EUR/GBP opening this morning down near 89p, while EUR/USD is changing hands above \$1.10 having spent much of yesterday below this level. Meantime, cable (GBP/USD) has moved into the upper half of the \$1.23-1.24 range and USD/JPY has fallen below the ¥108 level.

Elsewhere on markets, investors remained in a cautious mood. European equities made some minor gains, while the main US indices lost further ground. Overall, equities had a torrid March. Notably, the S&P 500 posted its worst monthly/quarterly performance since the financial crisis in 2008.

Overnight, however, risk appetite has deteriorated, with the Nikkei shedding 4.5%. European equity futures also point to falls at the open. The decline in sentiment coincided with the release of weak survey data in Asia (March PMIs and Q1 reading of Tankan index).

On that note, the manufacturing ISM for March in the US and the final prints of the March PMIs in the Eurozone, UK and US, are all due today. They will be looked to for further evidence of the impact of the coronavirus on activity. Expectations are low, but if the data disappoint, we could see a continuation of the risk averse mood. More generally, markets will continue to track coronavirus related developments closely.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1015	0.00	-1.74
EUR/GBP	0.8907	-0.24	5.36
GBP/USD	1.2363	0.25	-6.76
GBP/EUR	1.1221	0.24	-5.09
USD/JPY	107.36	-0.83	-1.15
EUR/JPY	118.28	-0.81	-2.91

* 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	0.99	1.45	1.00	0.49	0.49
EUR	0.00	-0.44	-0.35	-0.16	-0.31	-0.25
GBP	0.10	0.24	0.60	0.86	0.51	0.53

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

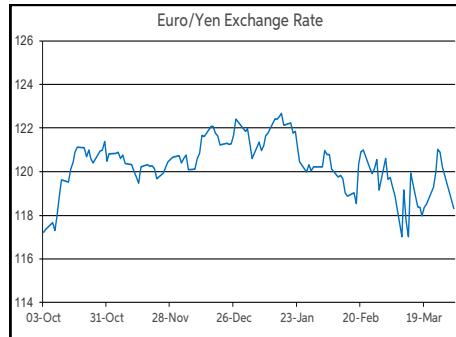
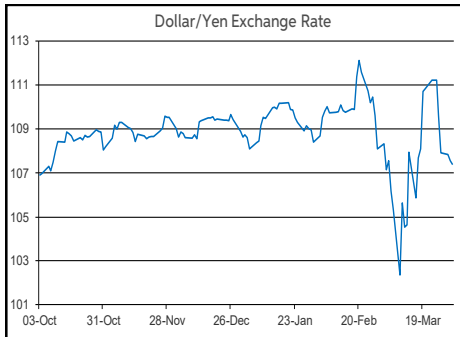
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

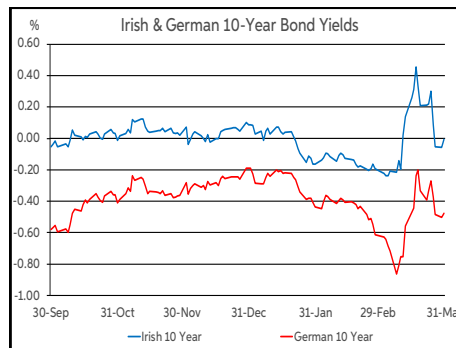
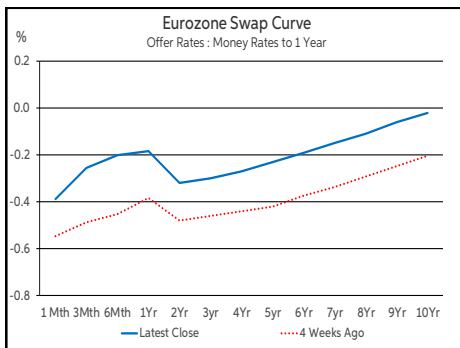
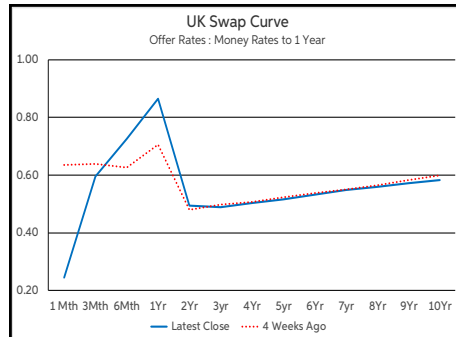
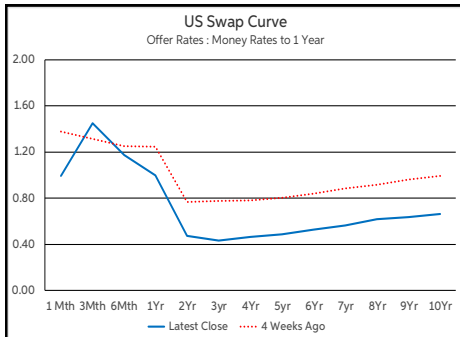
Wednesday 01 April 2020
07:13 am



Euro		Sterling		Dollar	
EUR/GBP	0.8907	GBP/EUR	1.1221	USD/JPY	107.36
EUR/USD	1.1015	GBP/USD	1.2363	USD/CAD	1.4165
EUR/JPY	118.28	GBP/CAD	1.7514	USD/CHF	0.9613
EUR/SEK	10.9439	GBP/NZD	2.0831	USD/CNY	7.0922
EUR/DKK	7.4645	GBP/JPY	132.74	USD/BRL	5.2046
EUR/NOK	11.4596	GBP/SEK	12.277	USD/RUB	78.51
EUR/CHF	1.0591	GBP/DKK	8.3739	USD/INR	75.31
EUR/AUD	1.8048	GBP/NOK	12.8721	AUD/USD	0.6097
EUR/HKD	8.5396	GBP/CHF	1.1887	NZD/USD	0.5933
EUR/CAD	1.5604	GBP/AUD	2.0258		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.66	-6	-33	-125
Germany	-0.48	+3	+15	-29
UK	0.35	+3	-3	-47
5 Year Swap %				
US	0.49	-7	-32	-122
Eurozone	-0.23	+1	+19	-11
UK	0.52	-1	-1	-38
2 Year Swap %				
US	0.48	-4	-29	-122
Eurozone	-0.32	-1	+16	-3
UK	0.50	-1	+2	-31
10 Year Government Bond Spreads to Benchmark bps				
Ireland	47	+2	+7	+19
Belgium	50	+2	+14	+23
France	45	+2	+16	+14
Italy	197	+2	+36	+41
Spain	114	+7	+33	+50
Portugal	129	+14	+47	+68
Greece	206	-2	+18	+46



Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	22.74	-0.09	-56.15	-65.55
West Texas Oil	20.51	+45.46	-56.61	-66.45
Gold \$	1571.6	-3.27	-4.18	+3.54

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