

Nervous start to Q2 on markets

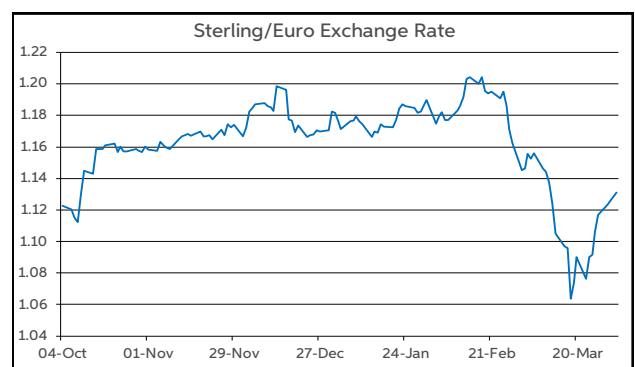
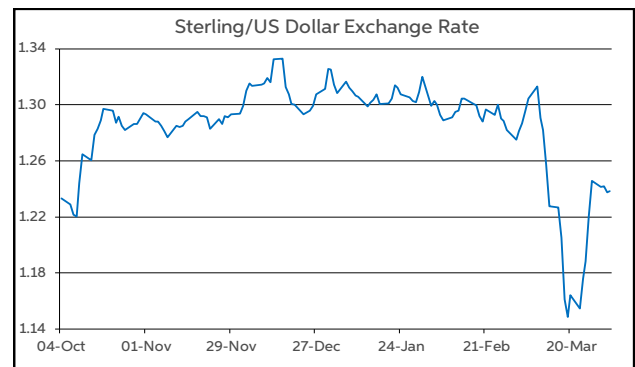
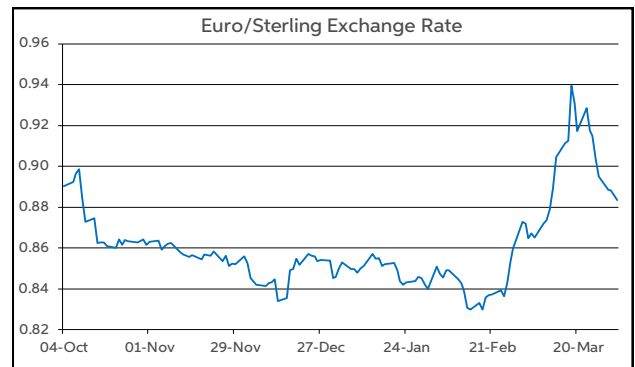
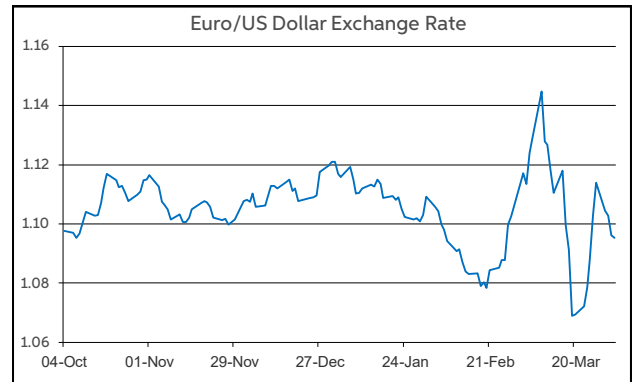
The start of the second quarter on financial markets saw risk aversion continue to dominate proceedings. This was against a backdrop of more macro data for March highlighting the negative impact that coronavirus and related restrictions are having on economic activity. This included the final reading of the manufacturing PMI in the US, Eurozone and UK being revised lower. Meanwhile, the recent stark warning from President Trump about the impact from the coronavirus and extending the lockdown in the US, as well as announcements of lockdown extensions in Europe also weighed on risk appetite.

This 'risk off' tone to investor sentiment was evident on the main equity indices registering losses on the day. In Europe, the Euro Stoxx 50 fell by nearly 4%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was down over 4% on the day. In overnight action, the Nikkei fell by 1.4%.

On the currency front, the euro has found itself under some modest downward pressure over the past 24 hours. In level terms, the weaker tone to the euro is evident in EUR/GBP trading down towards the 88p level. EUR/USD has edged lower within the \$1.09-1.10 trading band. Meantime, cable (GBP/USD) has traded up into \$1.24 territory. Elsewhere, oil prices have made some gains amid speculation that Russia and Saudi Arabia will reach a deal.

Turning to the day ahead, the focus will remain firmly on the coronavirus and its impact on the economy. In this regard, today's US weekly jobless claims figures will again be in focus. The forecast is for a 3.5m rise in claims, following last week's 3.3m spike. This will likely add to the challenging backdrop for investor sentiment.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.0957	-0.53	-2.26
EUR/GBP	0.882	-0.88	4.33
GBP/USD	1.2421	0.37	-6.32
GBP/EUR	1.1332	0.88	-4.15
USD/JPY	107.2	-0.51	-1.30
EUR/JPY	117.48	-1.03	-3.57

* 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	1.02	1.44	1.00	0.49	0.53
EUR	0.00	-0.42	-0.36	-0.17	-0.30	-0.21
GBP	0.10	0.23	0.57	0.83	0.50	0.52

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

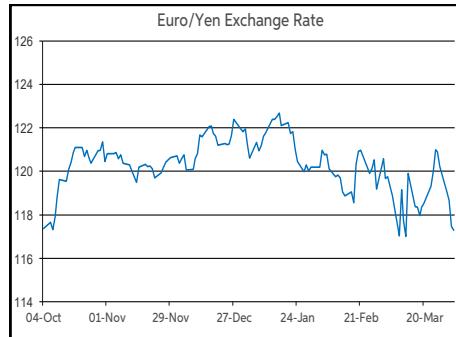
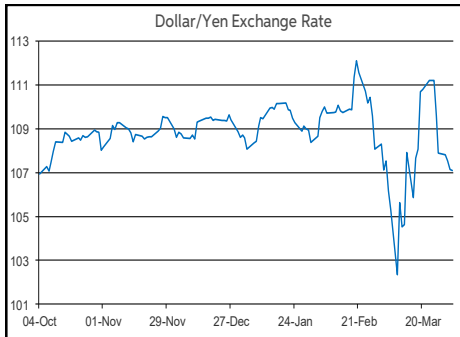
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

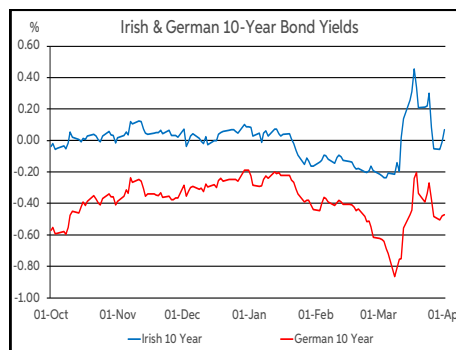
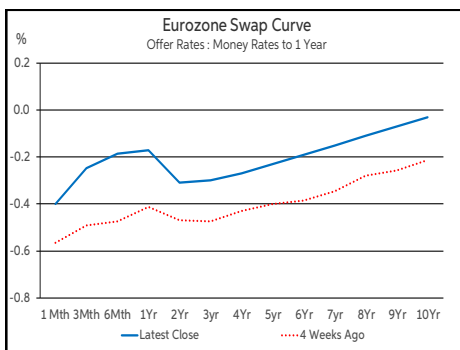
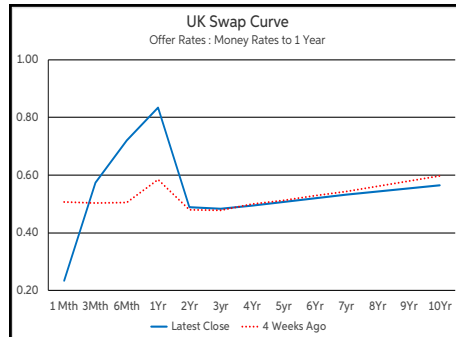
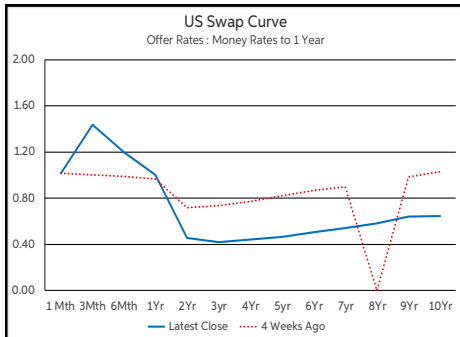
Thursday 02 April 2020
07:19 am



Euro		Sterling		Dollar	
EUR/GBP	0.882	GBP/EUR	1.1332	USD/JPY	107.2
EUR/USD	1.0957	GBP/USD	1.2421	USD/CAD	1.4085
EUR/JPY	117.48	GBP/CAD	1.7495	USD/CHF	0.9663
EUR/SEK	10.9689	GBP/NZD	2.0825	USD/CNY	7.0972
EUR/DKK	7.4637	GBP/JPY	133.15	USD/BRL	5.2493
EUR/NOK	11.2702	GBP/SEK	12.4275	USD/RUB	77.4784
EUR/CHF	1.0592	GBP/DKK	8.4586	USD/INR	76.399
EUR/AUD	1.7924	GBP/NOK	12.7694	AUD/USD	0.6113
EUR/HKD	8.492	GBP/CHF	1.2002	NZD/USD	0.5961
EUR/CAD	1.5436	GBP/AUD	2.0315		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.60	-6	-45	-132
Germany	-0.47	+1	+17	-28
UK	0.31	-4	-6	-51
5 Year Swap %				
US	0.47	-4	-36	-125
Eurozone	-0.23	-1	+17	-11
UK	0.51	-2	-1	-38
2 Year Swap %				
US	0.46	-4	-26	-124
Eurozone	-0.31	+0	+16	-2
UK	0.49	-2	+1	-32
10 Year Government Bond Spreads to Benchmark bps				
Ireland	54	+7	+13	+26
Belgium	54	+3	+15	+27
France	46	+1	+14	+15
Italy	193	-4	+28	+37
Spain	115	+2	+35	+51
Portugal	131	+2	+48	+70
Greece	215	+9	+35	+55



Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	24.74	+8.80	-51.61	-62.52
West Texas Oil	20.51	+45.46	-56.16	-66.45
Gold \$	1599.5	+1.78	-2.24	+5.38

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