

## US jobless claims spike again

Yesterday brought further evidence of the damage being wreaked by coronavirus lockdowns. US weekly jobless claims spiked by 6.6m, having jumped by 3.3m last week. There is no precedent for such a rapid deterioration in US labour market conditions.

Equity investors shrugged off the abysmal data. Instead, they rallied on the back of the surge in oil prices linked to President Trump's comments that Saudi-Russian tensions have been resolved. At the close on Wall Street the S&P 500 was up by 2.3%.

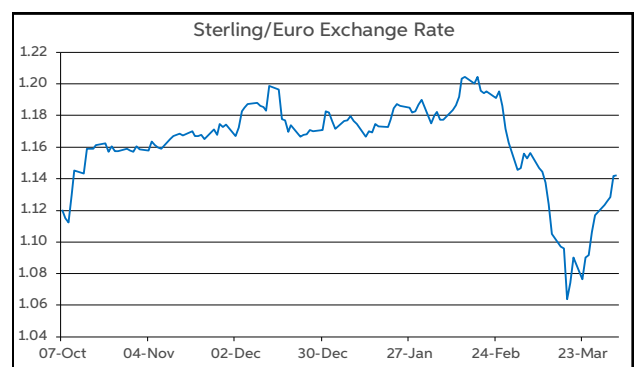
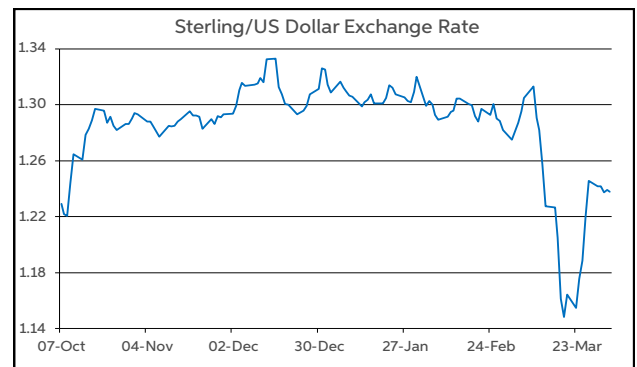
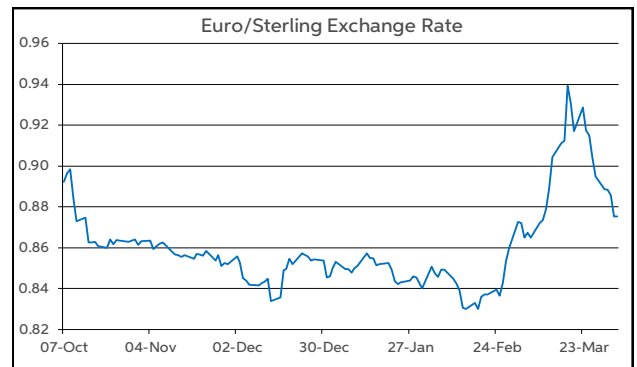
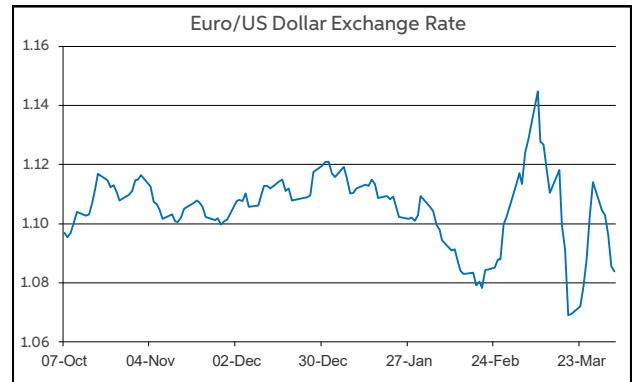
On FX markets, the euro was once again on the back foot. The currency has been weakening gradually over the course of the past week. The move may in part reflect concerns over the ability of the Eurozone to weather the impact of the virus outbreak.

In level terms, the modestly softer euro tone is reflected in EUR/USD opening this morning back down near the \$1.085 mark and EUR/GBP changing hands below the 88p threshold. Elsewhere, cable (GBP/USD) remains close to the \$1.24 level.

Overnight, oil prices have lost some ground as markets have grown sceptical over the likelihood of a Russian-Saudi supply deal. As a result, Asia-Pacific equity markets have been mixed. Ongoing negative coronavirus headlines also likely acted as a headwind.

Sentiment may remain fragile today as the data (final March Services PMIs in Eurozone, US and UK and non-manufacturing ISM in US) look set to remain consistent with a sudden and sharp contraction. The US employment report for March is also due. However, it is unlikely to attract much attention as usual. The survey occurred prior to the onset of the coronavirus lockdowns.

**Conor Beakey, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.0838	-0.96	-3.32
EUR/GBP	0.8756	-0.86	3.57
GBP/USD	1.2375	-0.10	-6.67
GBP/EUR	1.1414	0.87	-3.45
USD/JPY	107.91	0.41	-0.64
EUR/JPY	116.97	-0.55	-3.99

\* 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	0.98	1.37	1.06	0.47	0.49
EUR	0.00	-0.47	-0.34	-0.17	-0.29	-0.22
GBP	0.10	0.23	0.64	0.82	0.49	0.51

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

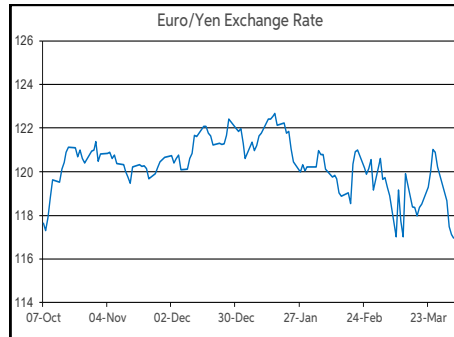
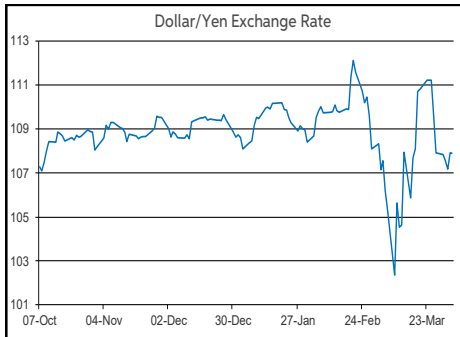
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

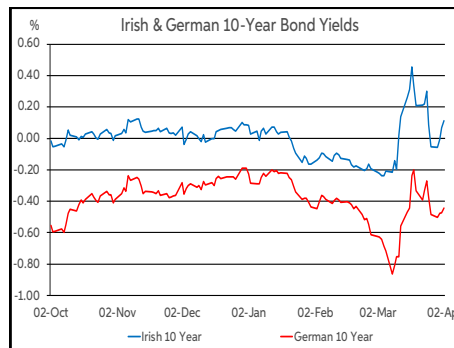
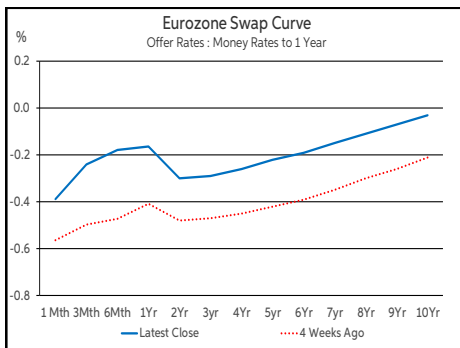
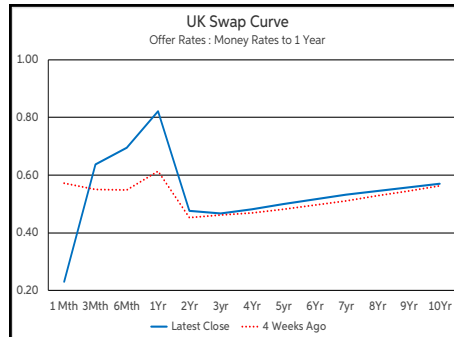
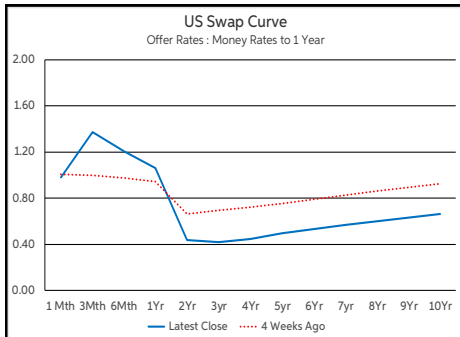
Friday 03 April 2020  
07:15 am



Euro		Sterling		Dollar	
EUR/GBP	0.8756	GBP/EUR	1.1414	USD/JPY	107.91
EUR/USD	1.0838	GBP/USD	1.2375	USD/CAD	1.4172
EUR/JPY	116.97	GBP/CAD	1.7535	USD/CHF	0.9744
EUR/SEK	10.962	GBP/NZD	2.0939	USD/CNY	7.0871
EUR/DKK	7.4676	GBP/JPY	133.54	USD/BRL	5.2563
EUR/NOK	11.2883	GBP/SEK	12.509	USD/RUB	77.793
EUR/CHF	1.0561	GBP/DKK	8.5245	USD/INR	75.825
EUR/AUD	1.787	GBP/NOK	12.8832	AUD/USD	0.6065
EUR/HKD	8.402	GBP/CHF	1.2058	NZD/USD	0.5908
EUR/CAD	1.536	GBP/AUD	2.0401		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.61	+1	-31	-131
Germany	-0.44	+3	+24	-26
UK	0.33	+2	-0	-49
Ireland	0.11	+5	+35	+3
Belgium	0.10	+3	+39	+2
France	0.03	+5	+39	-9
Italy	1.45	-1	+39	+8
Spain	0.69	+1	+48	+23
Portugal	0.81	-3	+57	+39
Greece	1.71	+3	+46	+30
<b>5 Year Swap %</b>				
US	0.50	+0	-26	-122
Eurozone	-0.22	+0	+20	-10
UK	0.50	-2	+2	-39
<b>2 Year Swap %</b>				
US	0.44	-5	-23	-126
Eurozone	-0.30	+0	+18	-1
UK	0.48	-2	+2	-33
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	56	+2	+11	+28
Belgium	54	+1	+15	+27
France	48	+2	+14	+17
Italy	189	-4	+15	+33
Spain	113	-2	+24	+49
Portugal	125	-6	+33	+64
Greece	215	+0	+22	+55



Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	29.94	+21.02	-40.11	-54.64
West Texas Oil	25.18	+24.16	-45.14	-58.82
Gold \$	1615.2	+0.98	-3.34	+6.42

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