

## Manic Monday

It was a Monday to remember on markets for all the wrong reasons. The sell-off on equity markets gained further momentum as investors concerns escalated. This was against the backdrop of Coronavirus uncertainty (as Italy introduced a major quarantine zone) and plummeting oil prices (amid the lack of agreement between Russia and Saudi Arabia on production levels).

The sharp falls on equity markets were widespread across all the main global indices. On this side of the Atlantic, the Euro Stoxx 50 and FTSE 100 dropped by 8.5% and 7.7%, with both indices entering into bear market territory. At the close on Wall Street last night, the S&P 500 was down by 7.6% on the day. Overnight, there has been some respite, with the Nikkei up a modest 0.9%.

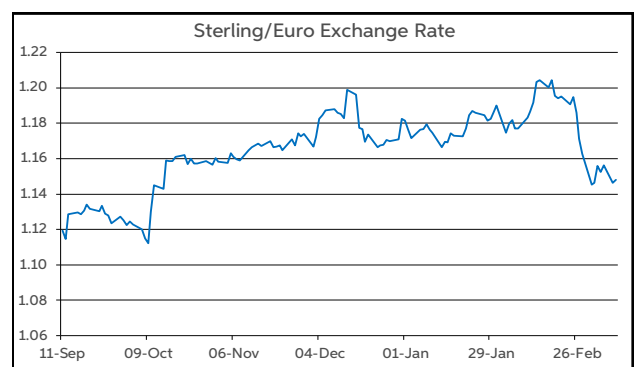
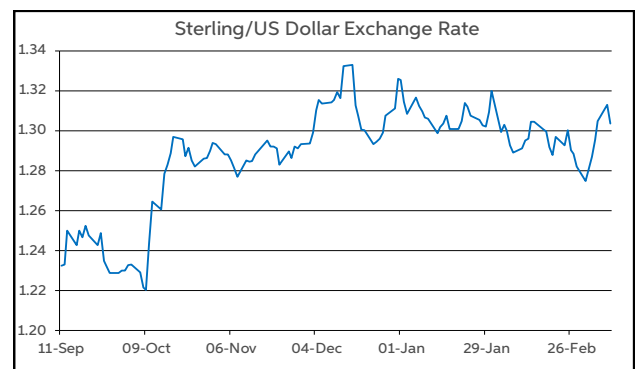
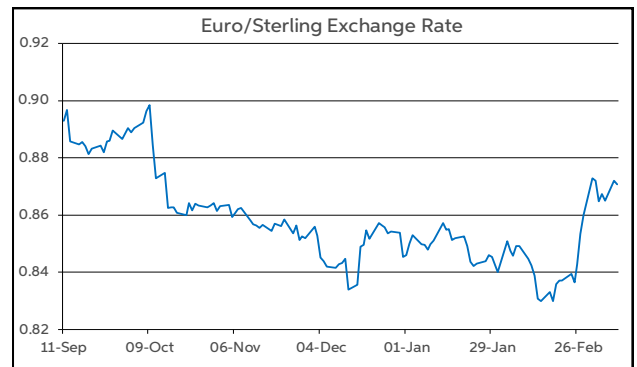
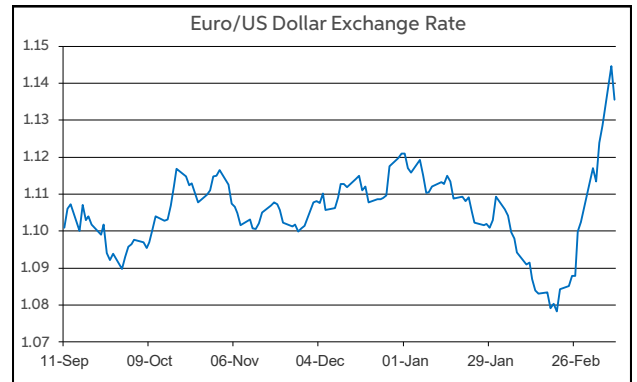
The action on bond markets was also volatile. 10-year US Treasury yields fell yesterday to a new record low of 0.32% before rising higher as the day progressed. The yield is at 0.65% this morning.

In contrast, the moves on currency markets over the past 24 hours have been more muted. After coming into the day very much on the back foot, the dollar has managed to stabilise somewhat.

EUR/USD has held below the \$1.15 level, which represents the upper end of its trading range over the past 14 months. The pair opens near the midpoint of \$1.13-1.14. Meanwhile, GBP/USD is trading within the \$1.30-1.31 band. Elsewhere EUR/GBP continues to change hands near to the 87p threshold.

Today, investor sentiment is likely to remain extremely reactive to Coronavirus newsflow. As a result, it could be another volatile session.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1357	-0.20	1.31
EUR/GBP	0.8712	-0.08	3.05
GBP/USD	1.3033	-0.14	-1.70
GBP/EUR	1.1472	0.08	-2.96
USD/JPY	104.32	1.71	-3.95
EUR/JPY	118.5	1.50	-2.73

\* 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	1.625	0.72	0.77	0.74	0.49	0.62
EUR	0.00	-0.50	-0.47	-0.35	-0.48	-0.42
GBP	0.75	0.50	0.47	0.57	0.46	0.47

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

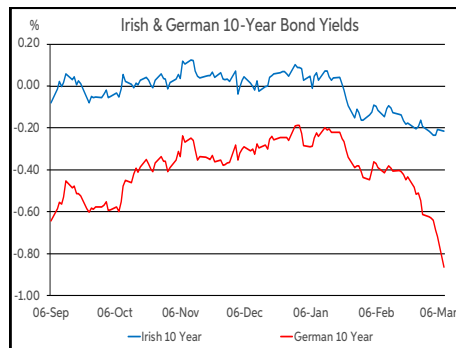
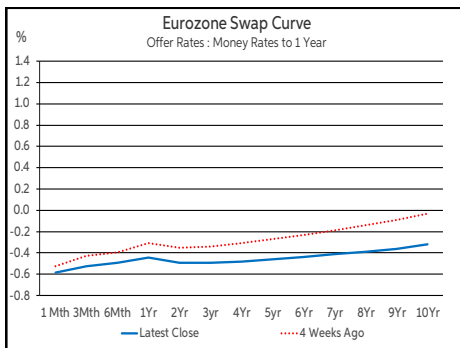
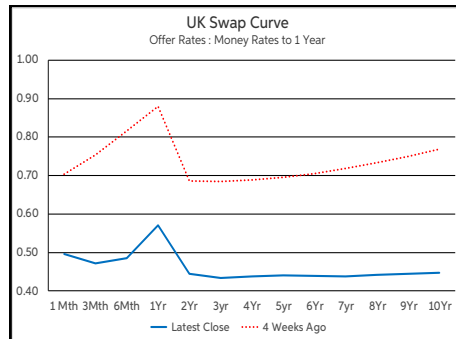
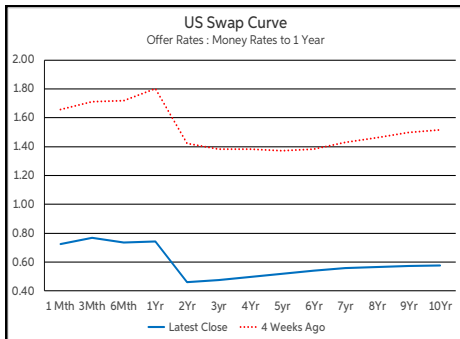
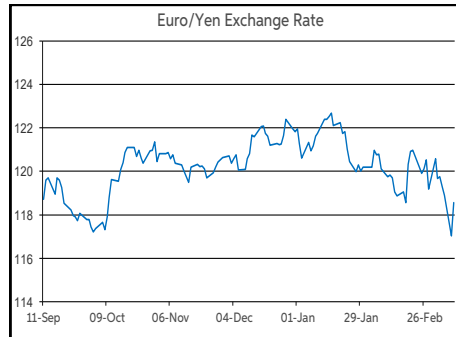
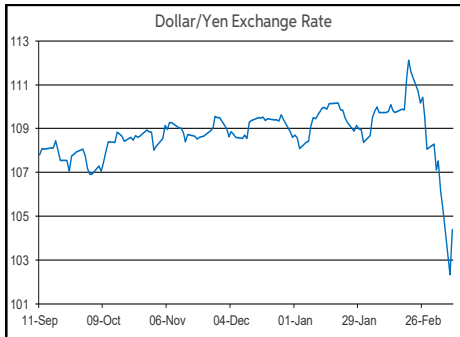
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Tuesday 10 March 2020  
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.8712	GBP/EUR	1.1472	USD/JPY	104.32
EUR/USD	1.1357	GBP/USD	1.3033	USD/CAD	1.3639
EUR/JPY	118.5	GBP/CAD	1.7779	USD/CHF	0.9335
EUR/SEK	10.761	GBP/NZD	2.0675	USD/CNY	6.9405
EUR/DKK	7.4677	GBP/JPY	135.97	USD/BRL	4.7231
EUR/NOK	10.83	GBP/SEK	12.345	USD/RUB	71.855
EUR/CHF	1.0602	GBP/DKK	8.5688	USD/INR	74.245
EUR/AUD	1.733	GBP/NOK	12.4194	AUD/USD	0.655
EUR/HKD	8.8251	GBP/CHF	1.2168	NZD/USD	0.6302
EUR/CAD	1.5492	GBP/AUD	1.9888		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.55	-22	-101	-136
Germany	-0.86	-15	-45	-68
UK	0.15	-8	-40	-67
Ireland	-0.21	-1	-7	-30
Belgium	-0.33	-3	-23	-41
France	-0.39	-3	-22	-51
Italy	1.39	+33	+45	+2
Spain	0.26	+6	+1	-20
Portugal	0.31	+8	+7	-11
Greece	1.82	+44	+82	+42
<b>5 Year Swap %</b>				
US	0.52	-21	-85	-119
Eurozone	-0.46	-5	-19	-34
UK	0.44	-2	-26	-45
<b>2 Year Swap %</b>				
US	0.46	-22	-96	-124
Eurozone	-0.49	-3	-14	-20
UK	0.44	-3	-24	-36
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	65	+14	+38	+37
Belgium	53	+12	+22	+26
France	48	+12	+23	+17
Italy	226	+48	+90	+70
Spain	112	+20	+46	+48
Portugal	117	+23	+52	+57
Greece	269	+59	+127	+109

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	34.36	-24.10	-35.50	-47.94
West Texas Oil	31.05	-24.53	-37.39	-49.21
Gold \$	1680.8	+0.37	+6.87	+10.74

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