

## Equities make good gains

The action on markets yesterday was characterised by an improvement in risk appetite. This was very much evident on equity markets. The main global indices registered very good gains, with the S&P 500 up over 9%. Sentiment was supported by expectations, which later proved well founded, that agreement would be reached in the US Congress on a massive (c. \$2tn) fiscal stimulus package. This, combined with the previous day's US Fed news of unlimited QE, helped to ease concerns somewhat.

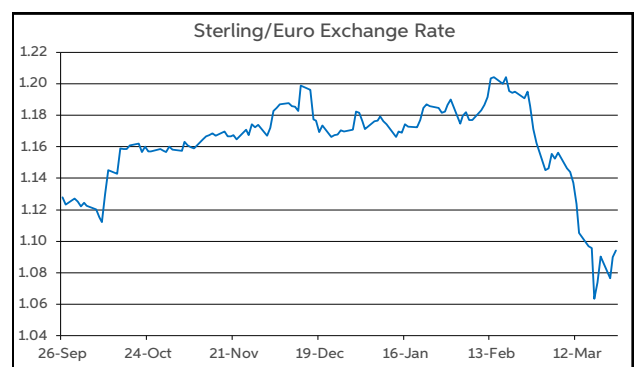
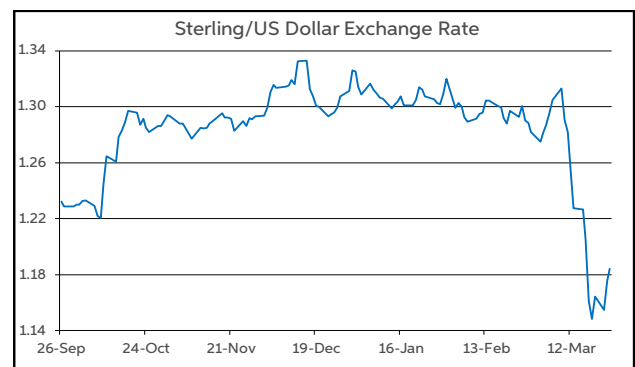
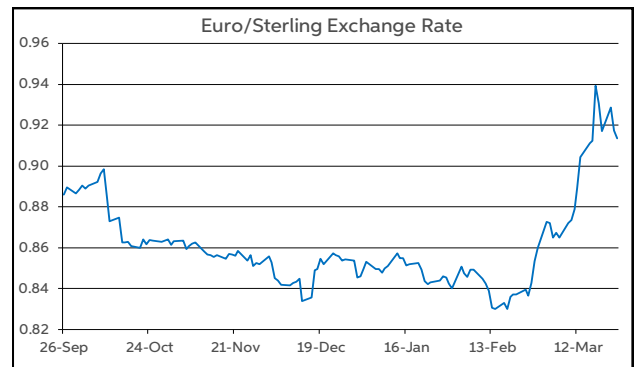
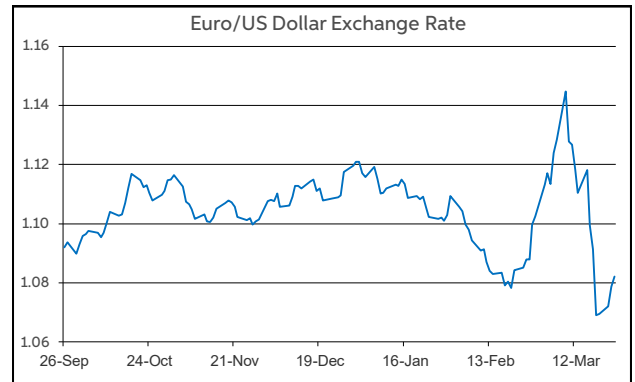
Meanwhile, on bond markets, there were signs yesterday of less volatility, with sovereign yields moving in a narrower range. Yields did trade higher though, possibly reflecting the impact of the raft of fiscal expenditure plans from the major economies, as well as the more positive tone to risk appetite.

On the currency front, sterling has recovered some ground. EUR/GBP has moved back below the 92p mark, while GBP/USD has regained the \$1.18 handle. Meanwhile, EUR/USD has edged back up into \$1.08 territory. Elsewhere, the less risk averse mood has coincided with some yen weakness.

One other thing to note over the past 24 hours was the release of the flash PMIs for March from the likes of the US, Eurozone and UK. This survey data provided some early insight into what impact the coronavirus is having on the global economy. The data, as expected, confirmed the virus/related restrictions is acting as a severe drag on these economies.

Today, it will be interesting to see if yesterday's improvement in risk appetite is sustained for a second consecutive trading session. In these regard, the Nikkei was up 8% in overnight trading.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.0822	0.42	-3.46
EUR/GBP	0.9138	-1.54	8.09
GBP/USD	1.1839	2.00	-10.71
GBP/EUR	1.0937	1.56	-7.49
USD/JPY	111.27	0.82	2.45
EUR/JPY	120.42	1.20	-1.16

\* 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	0.92	1.23	0.96	0.54	0.61
EUR	0.00	-0.45	-0.37	-0.19	-0.27	-0.14
GBP	0.10	0.24	0.54	0.79	0.49	0.56

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

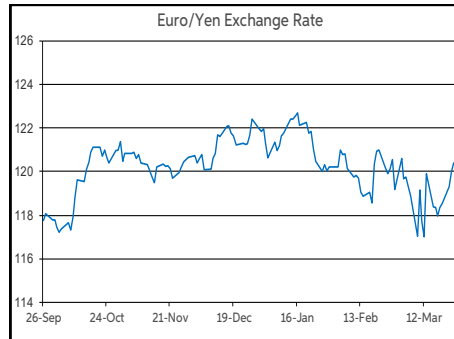
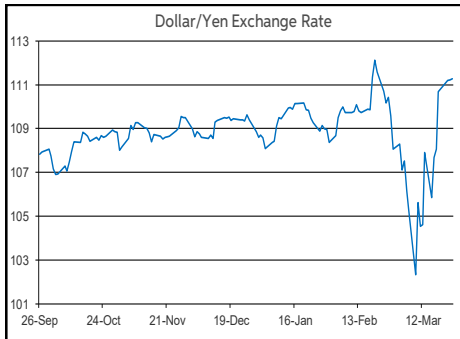
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

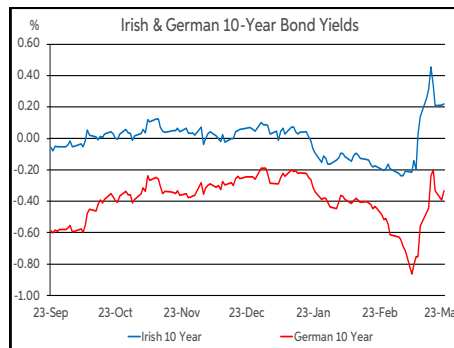
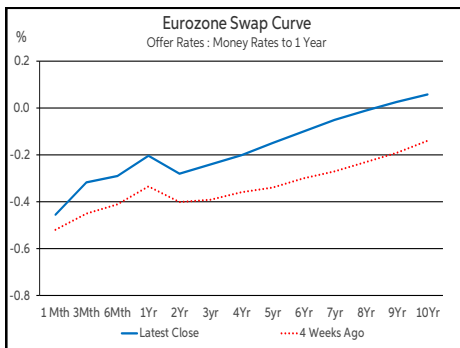
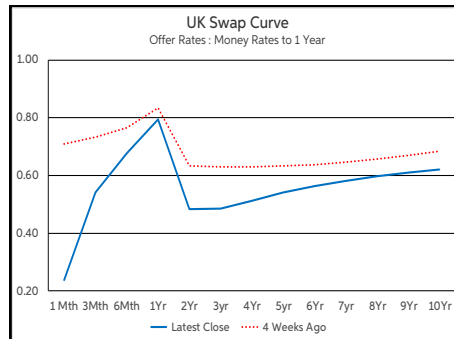
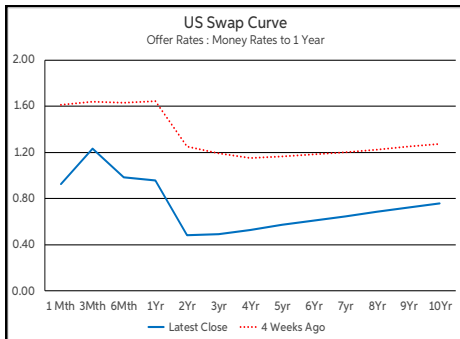
Wednesday 25 March 2020  
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.9138	GBP/EUR	1.0937	USD/JPY	111.27
EUR/USD	1.0822	GBP/USD	1.1839	USD/CAD	1.4347
EUR/JPY	120.42	GBP/CAD	1.6993	USD/CHF	0.9801
EUR/SEK	10.9244	GBP/NZD	2.0135	USD/CNY	7.0738
EUR/DKK	7.4663	GBP/JPY	131.73	USD/BRL	5.0992
EUR/NOK	11.801	GBP/SEK	11.9524	USD/RUB	78.0145
EUR/CHF	1.0607	GBP/DKK	8.1677	USD/INR	76.369
EUR/AUD	1.7916	GBP/NOK	12.9123	AUD/USD	0.6037
EUR/HKD	8.3916	GBP/CHF	1.1605	NZD/USD	0.5879
EUR/CAD	1.5531	GBP/AUD	1.961		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.85	+10	-50	-106
Germany	-0.33	+6	+18	-15
UK	0.48	+6	-4	-34
<b>5 Year Swap %</b>				
US	0.57	+6	-59	-114
Eurozone	-0.15	+2	+19	-3
UK	0.54	+3	-9	-35
<b>2 Year Swap %</b>				
US	0.48	-2	-77	-122
Eurozone	-0.28	+1	+12	+1
UK	0.48	-0	-15	-33
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	56	-5	+24	+28
Belgium	55	+1	+22	+28
France	52	+2	+25	+21
Italy	187	-8	+38	+31
Spain	120	+6	+48	+55
Portugal	136	+5	+68	+75
Greece	272	-9	+118	+112



Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	27.15	+0.44	-50.59	-58.86
West Texas Oil	21.03	-9.86	-57.75	-65.60
Gold \$	1634.0	+5.11	-0.10	+7.66

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