

Sterling trading remains volatile

In the context of the frenzied action seen in recent weeks, there was a somewhat calmer tone on markets yesterday. Although, sterling did continue to trade in a wide range. There was no standout reason behind the volatility.

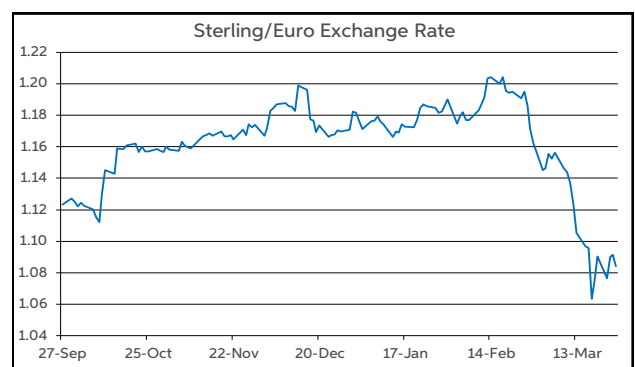
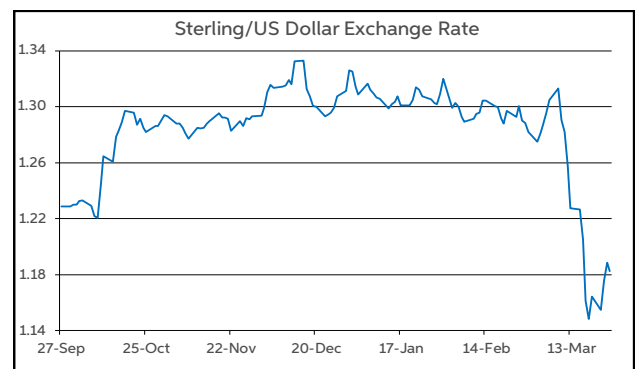
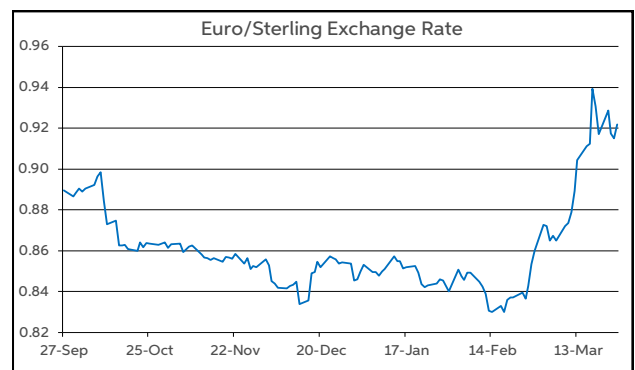
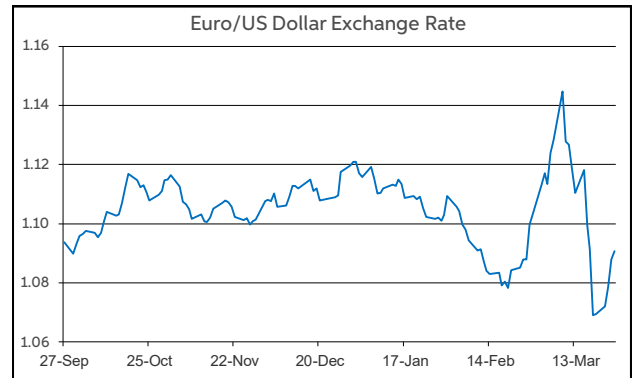
The large swings in sterling were reflected in cable (GBP/USD) moving within a \$1.165-1.20 band yesterday. It is trading this morning near the \$1.18 level, broadly unchanged from yesterday's open. Meanwhile, a firmer tone to the euro sees EUR/GBP at 92p, while EUR/USD has regained the \$1.09 handle.

Elsewhere, US equities rose for a second straight session, though the gains were more modest yesterday. The S&P 500 closed up 1.2%. Overnight, Asian-Pacific markets eked out some gains, but the Nikkei did fall by a sharp 4.5%. Against the uncertain economic backdrop, sentiment remains fragile.

Today, the BoE will hold its March policy meeting. Although, it is unclear if any further easing will be carried out as the central bank has already cut the Bank rate by 65bps to 0.1% and launched an additional £200bn QE programme at two emergency meetings earlier in the month. Given the somewhat calmer mood on markets this week, the BoE may refrain from further policy action today.

More generally, the focus for investors will remain centred on the coronavirus and the efforts to halt its spread/mitigate its economic impact. On that note, EU Leaders will tonight discuss coordinated responses to the coronavirus, including debt financing. Data-wise, weekly jobless claims due in the US will also offer an insight into the initial damage the virus has wreaked on the labour market. The forecast is for an unprecedented rise of 1m.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.0906	0.84	-2.71
EUR/GBP	0.9219	1.02	9.05
GBP/USD	1.1826	-0.19	-10.81
GBP/EUR	1.084	-1.01	-8.30
USD/JPY	110.51	-0.63	1.75
EUR/JPY	120.53	0.19	-1.07

* 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	0.96	1.27	0.99	0.49	0.58
EUR	0.00	-0.46	-0.37	-0.19	-0.27	-0.13
GBP	0.10	0.25	0.55	0.81	0.50	0.53

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

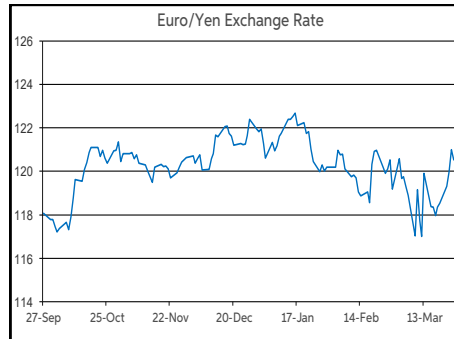
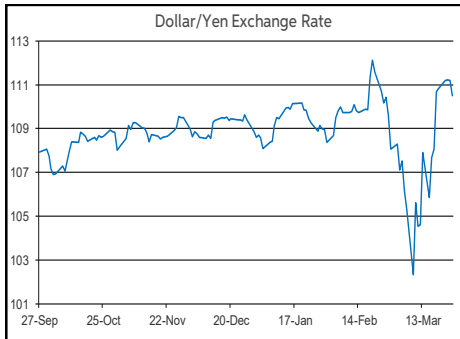
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

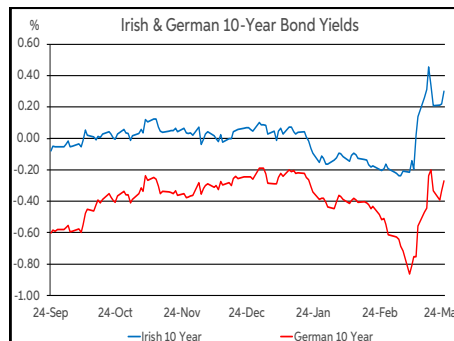
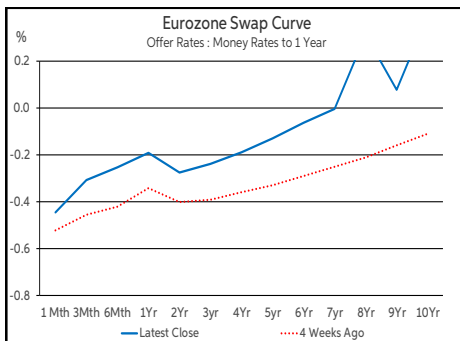
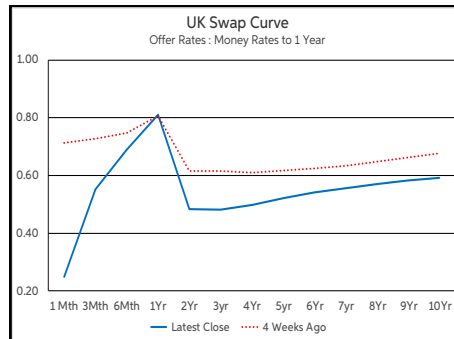
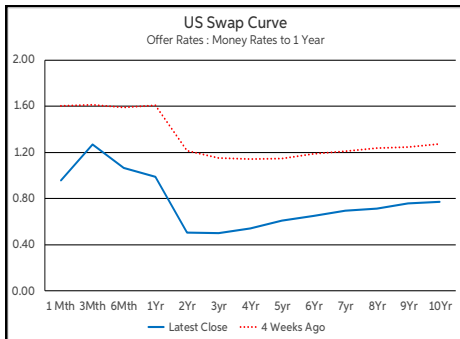
Thursday 26 March 2020
07:03 am



Euro		Sterling		Dollar	
EUR/GBP	0.9219	GBP/EUR	1.084	USD/JPY	110.51
EUR/USD	1.0906	GBP/USD	1.1826	USD/CAD	1.4273
EUR/JPY	120.53	GBP/CAD	1.6884	USD/CHF	0.9739
EUR/SEK	11.0576	GBP/NZD	2.0312	USD/CNY	7.0975
EUR/DKK	7.4698	GBP/JPY	130.71	USD/BRL	5.0345
EUR/NOK	11.701	GBP/SEK	12.009	USD/RUB	79.0025
EUR/CHF	1.0624	GBP/DKK	8.0983	USD/INR	75.27
EUR/AUD	1.8397	GBP/NOK	12.6618	AUD/USD	0.5928
EUR/HKD	8.4567	GBP/CHF	1.1521	NZD/USD	0.5821
EUR/CAD	1.5569	GBP/AUD	1.9951		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.86	+1	-47	-106
Germany	-0.27	+6	+24	-8
UK	0.44	-4	-6	-38
5 Year Swap %				
US	0.61	-0	-54	-110
Eurozone	-0.13	+1	+20	-1
UK	0.52	-3	-10	-37
2 Year Swap %				
US	0.51	-2	-71	-119
Eurozone	-0.27	-0	+13	+2
UK	0.48	-1	-13	-33
10 Year Government Bond Spreads to Benchmark bps				
Ireland	57	+2	+25	+29
Belgium	52	-3	+18	+25
France	47	-5	+20	+16
Italy	179	-9	+30	+23
Spain	112	-7	+38	+48
Portugal	125	-11	+54	+64
Greece	254	-18	+88	+95



Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	27.39	+0.88	-48.74	-58.50
West Texas Oil	20.75	-1.33	-57.37	-66.06
Gold \$	1614.3	-1.21	-1.59	+6.36

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