

## Market sentiment remains fragile

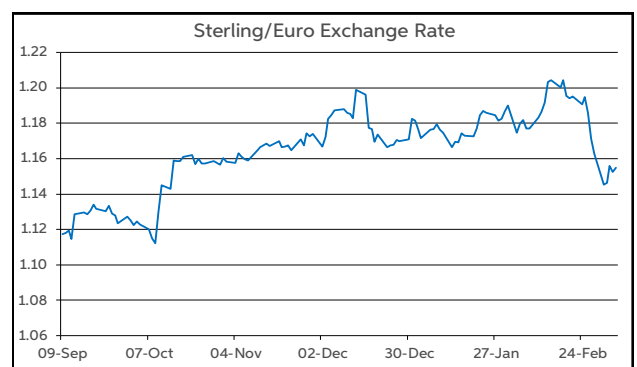
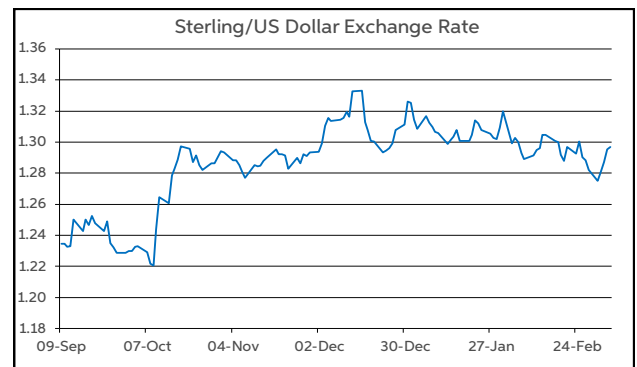
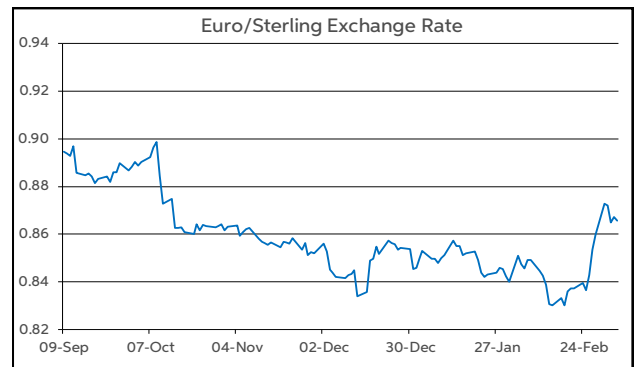
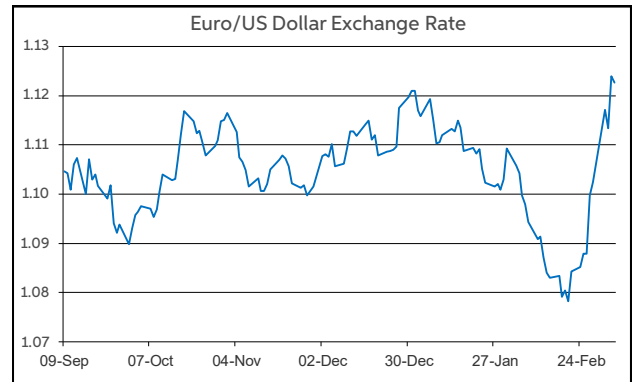
The fragility of the current mindset of financial market participants was once again in evidence yesterday. After registering gains the previous day, including a 4% rise in the S&P 500 index, risk aversion was back to the fore. All of the main equity indices finished the day nursing losses. The 'risk off' mood coincided with on-going worries over the impact the Coronavirus could have on the global economy.

The Euro Stoxx 50 ended the European session 1.7% lower. Meanwhile, at the close on Wall Street last night, the S&P 500 was down over 3% on the day. This marks the fourth consecutive day of at least a 2% move in either direction in the index. This is its longest sequence of such an occurrence since August 2011, highlighting the volatile trading conditions over recent days. The risk averse mood was also evident on bond markets, with the yield on 10-year US Treasuries falling to a new closing low of 0.92%.

On the currency front, the dollar has been holding a softer tone over the past 24 hours. In level terms, this is reflected in EUR/USD moving back up into \$1.12 territory. Meantime, GBP/USD has regained the \$1.29 threshold. Elsewhere, EUR/GBP continues to change hands in a tight range near to the midpoint of 86-87p.

Ahead today, there is a key data release from the US economy - non-farm payrolls for February. Jobs growth is forecast at a solid 175k last month. However, unless the labour market data spring a major surprise they may receive less attention than normal, with the market remaining focused on Coronavirus related newsflow. In this regard, a number of FOMC members are scheduled to speak. The market will be assessing these comments for the likelihood of further easing from the Fed over the coming months.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1225	0.82	0.13
EUR/GBP	0.8657	0.13	2.40
GBP/USD	1.2967	0.70	-2.20
GBP/EUR	1.1549	-0.13	-2.34
USD/JPY	105.88	-1.39	-2.51
EUR/JPY	118.87	-0.57	-2.43

\* 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	1.01	1.00	0.94	0.59	0.67
EUR	0.00	-0.50	-0.47	-0.36	-0.48	-0.44
GBP	0.75	0.57	0.55	0.61	0.46	0.48

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

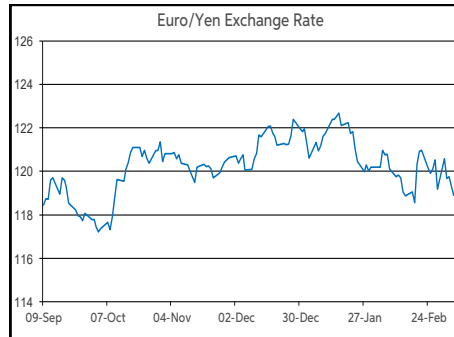
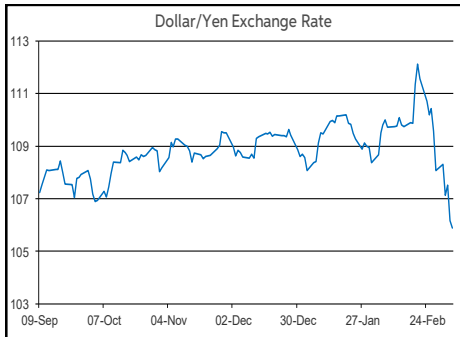
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

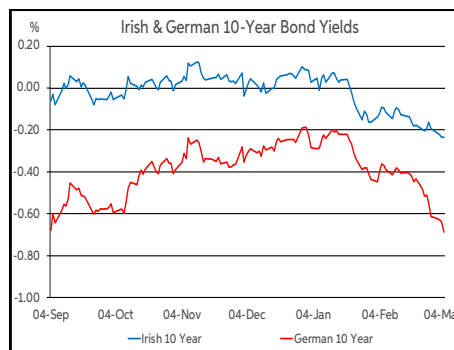
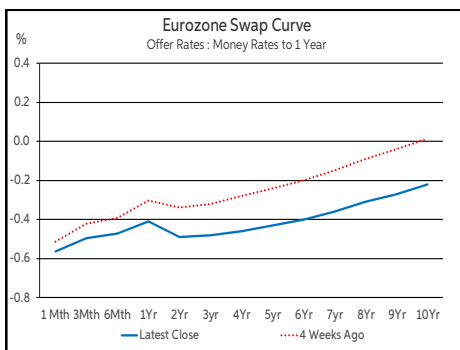
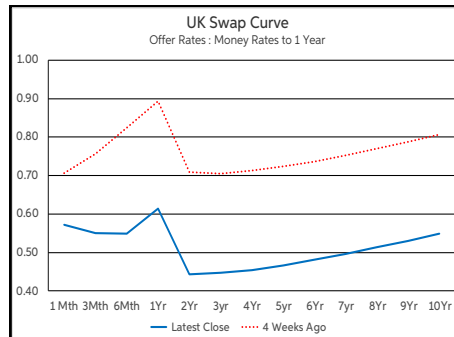
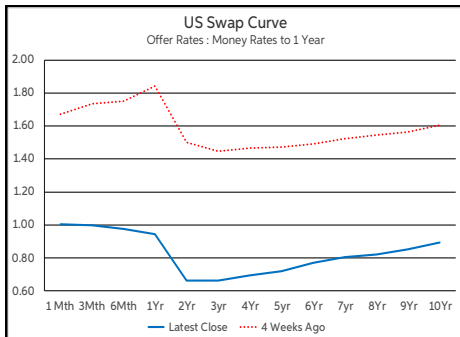
Friday 06 March 2020  
07:27 am



Euro		Sterling		Dollar	
EUR/GBP	0.8657	GBP/EUR	1.1549	USD/JPY	105.88
EUR/USD	1.1225	GBP/USD	1.2967	USD/CAD	1.3391
EUR/JPY	118.87	GBP/CAD	1.736	USD/CHF	0.9446
EUR/SEK	10.6031	GBP/NZD	2.0463	USD/CNY	6.949
EUR/DKK	7.4696	GBP/JPY	137.29	USD/BRL	4.6073
EUR/NOK	10.435	GBP/SEK	12.2456	USD/RUB	67.5
EUR/CHF	1.0605	GBP/DKK	8.6265	USD/INR	73.6125
EUR/AUD	1.6965	GBP/NOK	12.0485	AUD/USD	0.6617
EUR/HKD	8.7239	GBP/CHF	1.2249	NZD/USD	0.6335
EUR/CAD	1.5033	GBP/AUD	1.9596		



Debt Markets				
	Close	Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.92	-14	-73	-100
Germany	-0.69	-5	-32	-50
UK	0.33	-4	-25	-49
<b>5 Year Swap %</b>				
US	0.72	-10	-75	-99
Eurozone	-0.43	-3	-19	-31
UK	0.47	-5	-26	-43
<b>2 Year Swap %</b>				
US	0.66	-6	-84	-104
Eurozone	-0.49	-2	-15	-20
UK	0.44	-4	-27	-37
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	45	+5	+18	+17
Belgium	40	+1	+8	+13
France	33	+2	+8	+3
Italy	174	+9	+42	+18
Spain	90	+9	+24	+25
Portugal	93	+10	+28	+32
Greece	193	+14	+46	+34



Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	49.99	-2.23	-8.99	-24.26
West Texas Oil	45.9	-1.88	-9.89	-24.93
Gold \$	1670.9	+2.12	+6.62	+10.09

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