

## US payrolls due today

Risk appetite weakened further yesterday across financial markets. The Euro Stoxx 50 fell by 1.4%. Meantime, the S&P 500 declined by 1.6%. On bond markets, Eurozone yields moved lower, falling by 9-14bps amid the risk averse backdrop.

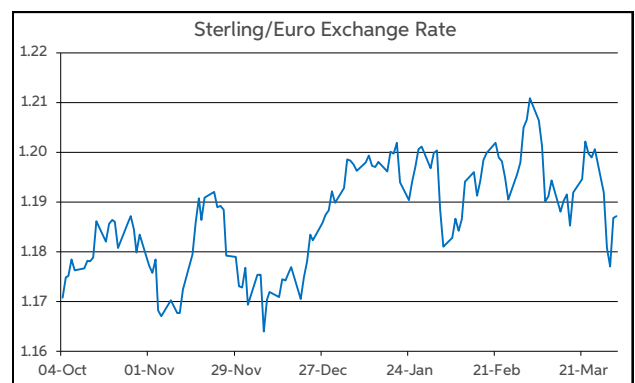
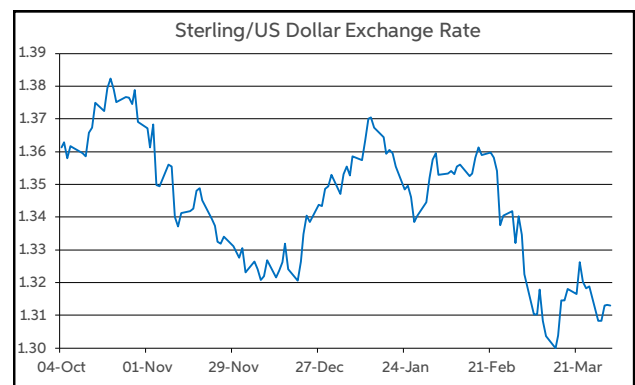
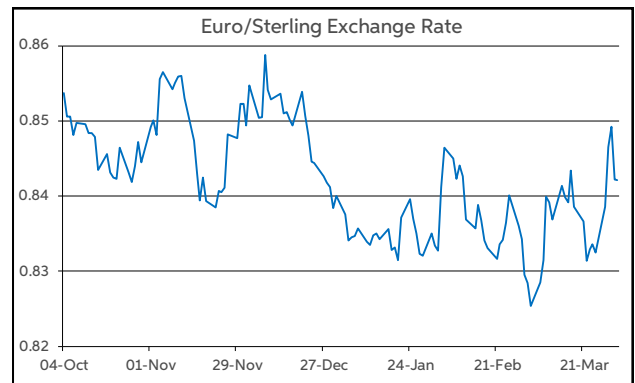
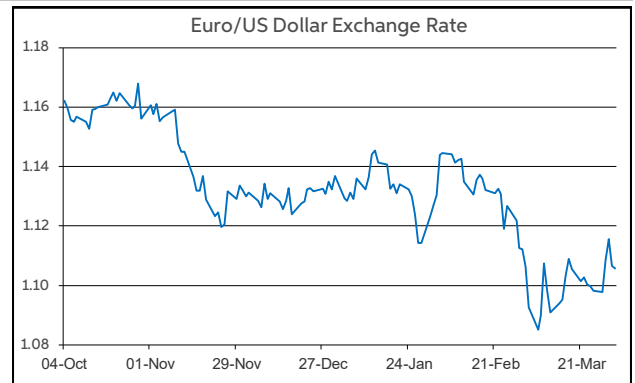
Currency-wise, the euro was unable to maintain its upward momentum from earlier in the week. Instead, the currency found itself on the defensive throughout the day. It lost circa 1% against the dollar and sterling. Meanwhile, in terms of monetary policy, ECB Chief Economist Lane, reiterated that any changes to the deposit rate "will be gradual". Futures contracts suggest the market sees the deposit rate rising to 0% by year end.

Elsewhere, in terms of data releases yesterday, US core-PCE inflation rose to 5.4%, slightly below the 5.5% consensus. In the Eurozone, the unemployment rate declined to 6.8% in February, from an upwardly revised 6.9% in January. However, neither release had a discernable impact on currency markets.

As trading gets underway this morning, the softer tone to the euro sees EUR/USD open just above the midpoint of \$1.10-1.11. EUR/GBP is changing hands down in the lower half of 84-85p. GBP/USD continues to operate just above the \$1.31 threshold.

Today, the main highlight will be the US labour market report for March. Payrolls are forecast to rise by 490k. The jobless rate is expected to edge lower to 3.7% from 3.8%. Investors will assess the data to see if the very tight conditions in the labour market are improving. In the Eurozone, flash HICP inflation is projected to rise to 6.6% in March from 5.9%. Meantime, sentiment will remain sensitive to developments in relation to Ukraine.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1059	-0.91	-2.72
EUR/GBP	0.8421	-1.01	0.25
GBP/USD	1.313	0.12	-2.95
GBP/EUR	1.1869	1.02	-0.25
USD/JPY	122.35	0.11	6.32
EUR/JPY	135.32	-0.80	3.40

\* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.375	0.46	0.97	1.95	2.58	2.56
EUR	0.00	-0.53	-0.46	-0.07	0.57	1.03
GBP	0.75	0.72	1.03	1.87	2.25	2.15

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

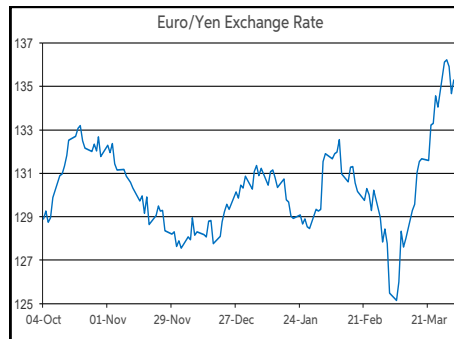
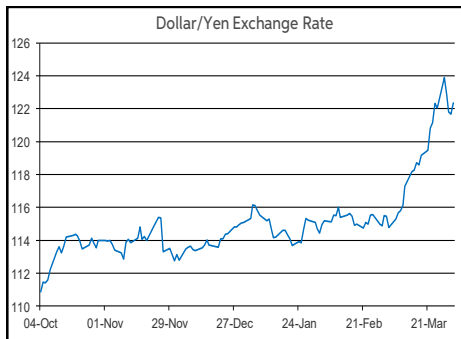
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

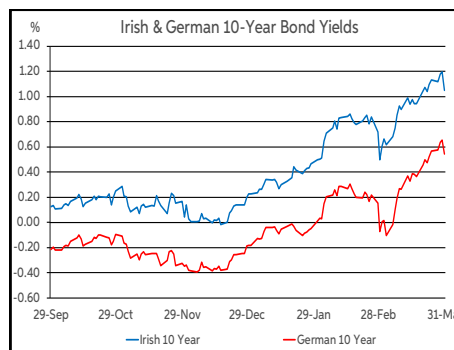
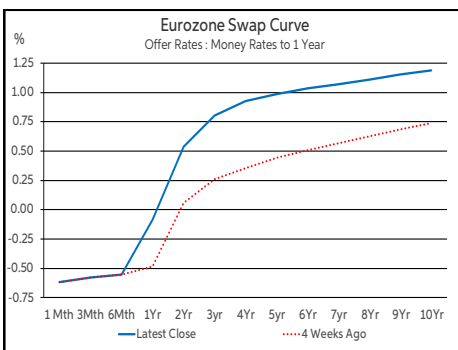
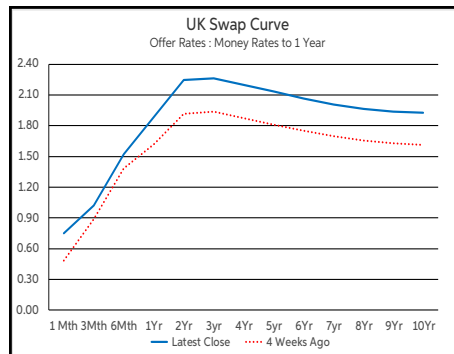
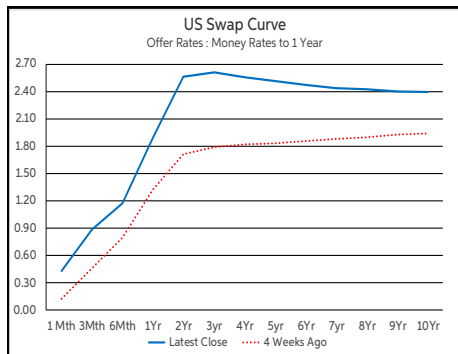
Friday 01 April 2022  
07:28 am



Euro		Sterling		Dollar	
EUR/GBP	0.8421	GBP/EUR	1.1869	USD/JPY	122.35
EUR/USD	1.1059	GBP/USD	1.313	USD/CAD	1.2512
EUR/JPY	135.32	GBP/CAD	1.6431	USD/CHF	0.9228
EUR/SEK	10.4002	GBP/NZD	1.8978	USD/CNY	6.3535
EUR/DKK	7.438	GBP/JPY	160.65	USD/BRL	4.739
EUR/NOK	9.7481	GBP/SEK	12.3424	USD/RUB	80
EUR/CHF	1.0206	GBP/DKK	8.8288	USD/INR	75.925
EUR/AUD	1.4786	GBP/NOK	11.5665		
EUR/HKD	8.6632	GBP/CHF	1.2119	AUD/USD	0.7479
EUR/CAD	1.3839	GBP/AUD	1.7555	NZD/USD	0.6916



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	2.35	-1	+50	+83
Germany	0.55	-11	+53	+73
UK	1.61	-6	+31	+64
<b>5 Year Swap %</b>				
US	2.51	+4	+72	+118
Eurozone	0.99	-9	+56	+98
UK	2.13	-7	+33	+86
<b>2 Year Swap %</b>				
US	2.56	+7	+89	+162
Eurozone	0.54	-7	+49	+84
UK	2.25	-4	+34	+106
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	52	-3	-15	+9
Belgium	48	+1	-6	+12
France	44	+2	-4	+7
Italy	150	+2	-7	+13
Spain	90	+1	-9	+12
Portugal	82	+2	-3	+16
Greece	213	+1	-24	+63



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	107.91	-4.88	-2.31	+38.74
West Texas Oil	100.53	-6.75	-6.65	+33.45
Gold \$	1937.2	+0.22	+0.10	+5.95

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