

'Risk-off' tone to investor sentiment

There was a strong risk-off tone to investor sentiment on equity markets yesterday. Both the Euro Stoxx 50 and FTSE 100 fell by 2%, while in the US, the S&P 500 finished down 0.7%. Negative Covid headlines globally provided an unhelpful backdrop to market proceedings. Coronavirus cases are rising in all regions except for Europe, with particular concern for the countries in South East Asia. India is dealing with a wave of new cases, while tighter restrictions may be introduced in parts of Japan soon.

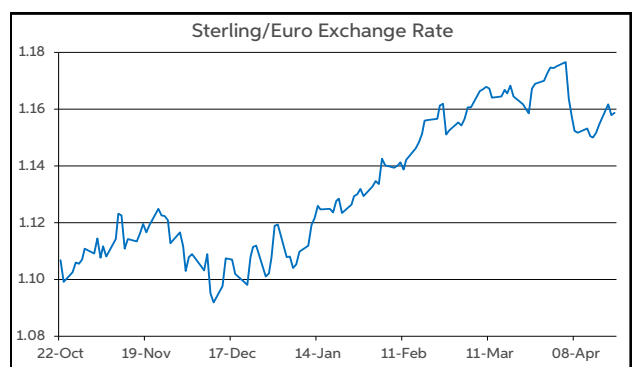
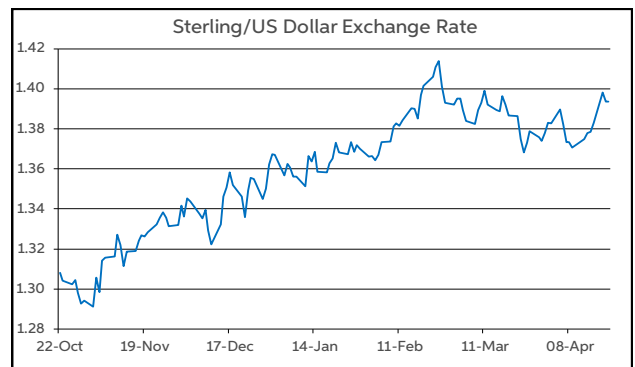
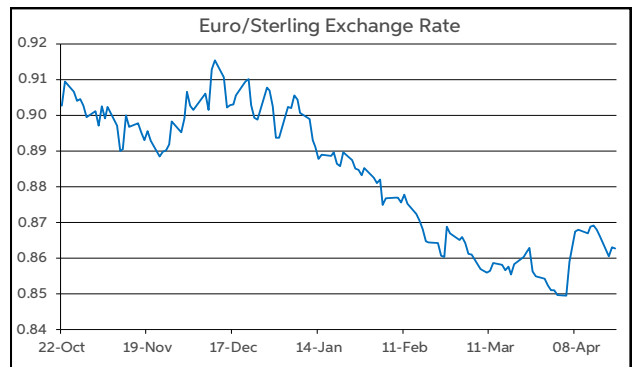
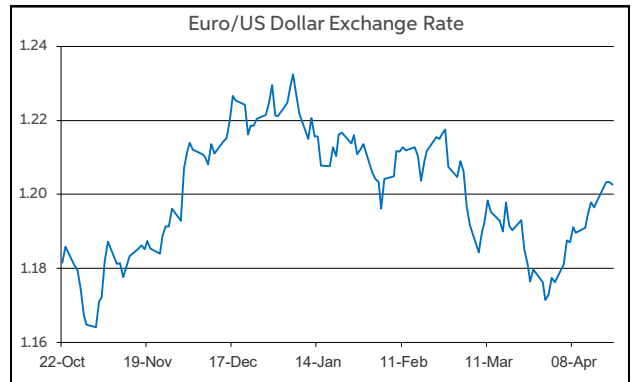
On bond markets, yields moved lower across the board. In the Eurozone, UK and US, yields on 10 year sovereign bonds fell by 2-4bps. All of the above coincided with some volatile trading on currency markets.

For the euro, it was a day of two halves. In the morning, the currency continued to hold the upper hand against the dollar, reaching \$1.208 at one point. Likewise, sterling climbed above the \$1.40 level versus the greenback. However, as the risk-off tone took hold in the afternoon, the US currency regained some momentum.

This is reflected in EUR/USD opening this morning below the midpoint of the \$1.20-1.21 range. GBP/USD is changing hands back under the \$1.40 handle, in the lower half of \$1.39-1.40. Meanwhile, EUR/GBP continues to operate close to 86p.

Already this morning, UK inflation has printed broadly in line with the forecasts. Prices rose by 0.3% in March, lifting the annual rate to 0.7%. Core CPI also rose to 1.1% from 0.9% as expected. There is a sparse data schedule for the remainder of the day.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2024	-0.31	-1.55
EUR/GBP	0.8625	0.14	-3.49
GBP/USD	1.3936	-0.46	1.92
GBP/EUR	1.1587	-0.14	3.62
USD/JPY	108.01	-0.13	4.62
EUR/JPY	129.89	-0.43	2.96

* v Previous Day's European Open
See Next Page for More Rates

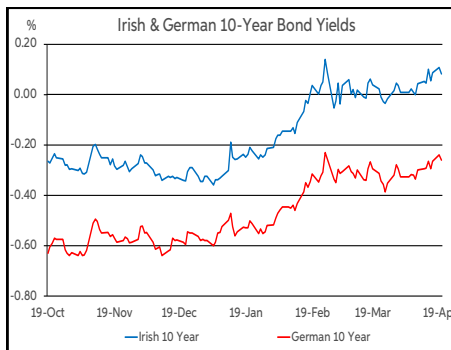
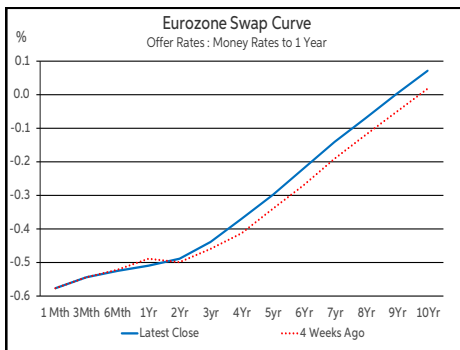
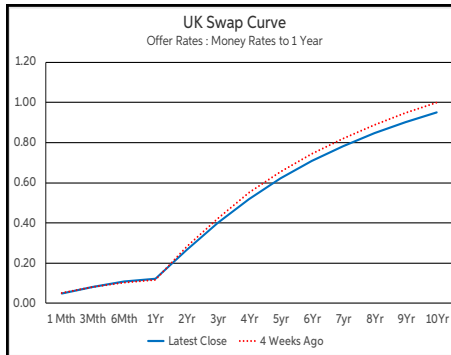
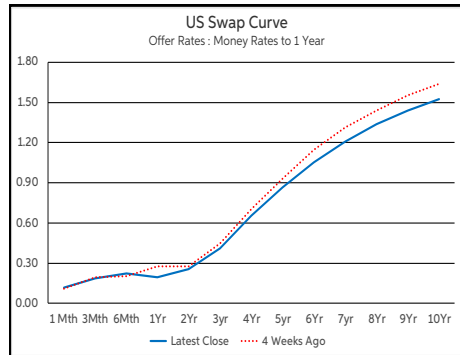
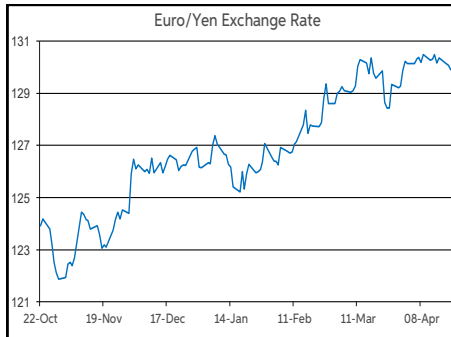
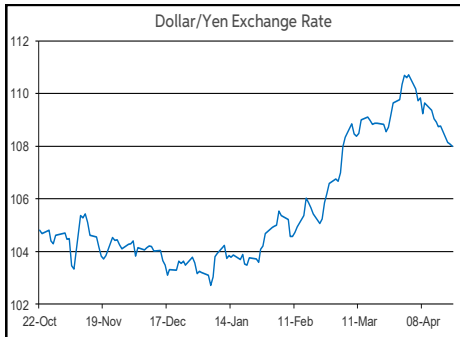
Opening Interest Rates						
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.11	0.19	0.20	0.29	0.90
EUR	0.00	-0.55	-0.54	-0.51	-0.47	-0.30
GBP	0.10	0.05	0.08	0.12	0.28	0.63

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				

Euro		Sterling		Dollar	
EUR/GBP	0.8625	GBP/EUR	1.1585	USD/JPY	108.01
EUR/USD	1.2024	GBP/USD	1.3936	USD/CAD	1.2594
EUR/JPY	129.88	GBP/CAD	1.7553	USD/CHF	0.916
EUR/SEK	10.1512	GBP/NZD	1.9422	USD/CNY	6.4935
EUR/DKK	7.436	GBP/JPY	150.52	USD/BRL	5.5687
EUR/NOK	10.0633	GBP/SEK	11.765	USD/RUB	76.695
EUR/CHF	1.1015	GBP/DKK	8.6178	USD/INR	75.469
EUR/AUD	1.5587	GBP/NOK	11.6581	AUD/USD	0.7714
EUR/HKD	9.3342	GBP/CHF	1.2767	NZD/USD	0.7173
EUR/CAD	1.5144	GBP/AUD	1.8065		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.57	-4	-6	+65
Germany	-0.26	-2	+9	+32
UK	0.73	-2	-3	+54
5 Year Swap %				
US	0.86	-2	-4	+44
Eurozone	-0.30	-1	+5	+16
UK	0.62	-1	-3	+43
2 Year Swap %				
US	0.26	-0	+1	+6
Eurozone	-0.49	-0	+2	+4
UK	0.26	-0	-1	+24
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	-0	+2	+10
Belgium	31	+1	-2	+12
France	24	-0	-0	+1
Italy	104	+1	+9	-6
Spain	66	+1	+2	+3
Portugal	67	+2	+15	+4
Greece	118	+4	-3	-2

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	66.57	-0.72	+9.51	+28.51
West Texas Oil	62.61	-1.14	+8.42	+29.49
Gold \$	1777.3	+0.45	+2.90	-6.29

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