

BoE cuts as expected, dollar firmer

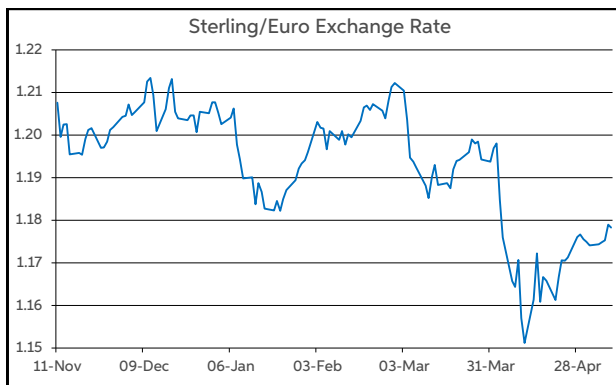
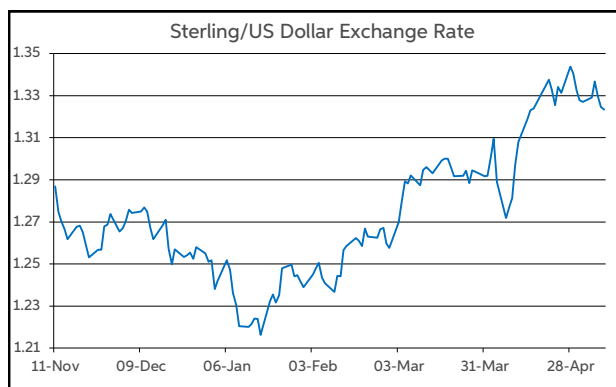
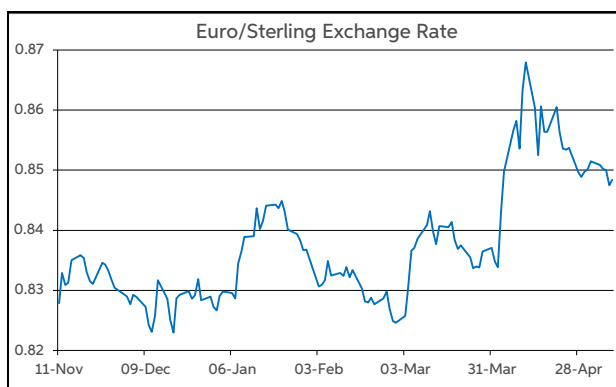
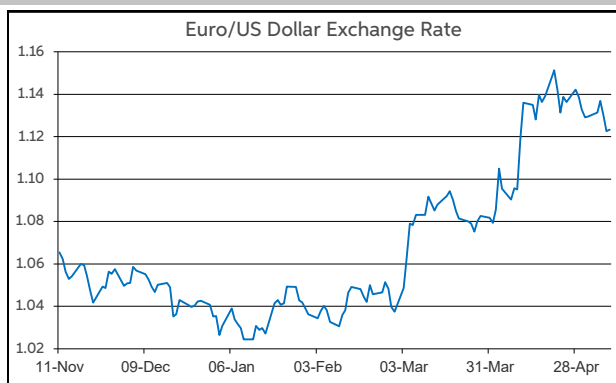
Following Wednesday's Fed meeting conclusion, monetary policy remained in focus yesterday with the BoE policy announcement. As expected, the BoE cut rates by 25bps to 4.25%. Once again, there was no unanimity, with the vote split 5:4 in favour of the rate reduction. Meanwhile, in terms of its Monetary Policy Report for May, the BoE made only minimal changes to its baseline forecasts for GDP and inflation. Not surprisingly, the BoE called out the increased uncertainty regarding the economic outlook in light of the recent changes to US tariff policy. However, the BoE continued to espouse a gradual approach to any further rate cuts.

In terms of general market sentiment, there was a positive stance to proceedings yesterday. This was reflected in gains for equity markets on both sides of the Atlantic. In Europe, the Euro Stoxx 50 rose by 1.1%. Meanwhile, at the closing bell on Wall Street last night, the S&P was 0.6% higher on the day. Risk appetite was supported by further positive newsflow in relation to US trade policy, including the announcement of a framework agreement with the UK.

On the currency front, the dollar has been holding a firmer tone on the exchanges over the past 24 hours. The greenback was boosted by the aforementioned progress on US trade deals. Meantime, there was no notable reaction from sterling to the BoE meeting outcome. The gains for the dollar are reflected in EUR/USD opening this morning in the lower half of \$1.12-1.13, GBP/USD trading below the midpoint of \$1.32-1.33, while USD/JPY is back up in ¥145-146 territory. Elsewhere on the exchanges, EUR/GBP continues to operate in a tight range just below the 85p level.

Looking ahead to today, the macro diary is very quiet, with no top tier data due. Therefore the main FX pairs could trade within relatively narrow ranges heading into the weekend.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1233	-0.74	8.50
EUR/GBP	0.8484	-0.04	2.55
GBP/USD	1.3235	-0.71	5.79
GBP/EUR	1.178	0.04	-2.49
USD/JPY	145.41	1.13	-7.49
EUR/JPY	163.35	0.39	0.37

* 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	4.38	4.32	4.30	3.95	3.93	3.89
EUR	2.40	2.17	2.15	1.99	1.96	2.22
GBP	4.50	4.20	4.18	3.88	3.97	3.98

All rates quoted are indicative market rates

See Next Page For More Rates &

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Opening Levels

Friday 09 May 2025
07:23 am



Euro

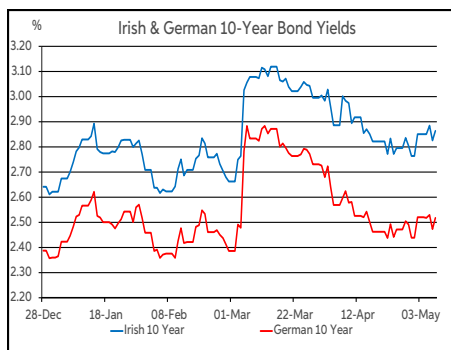
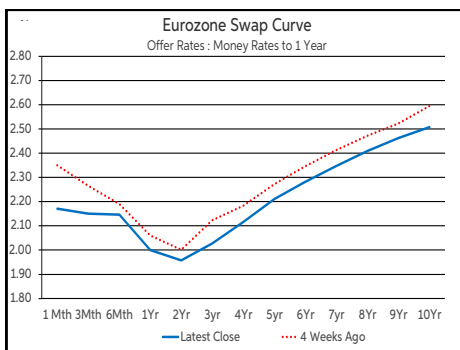
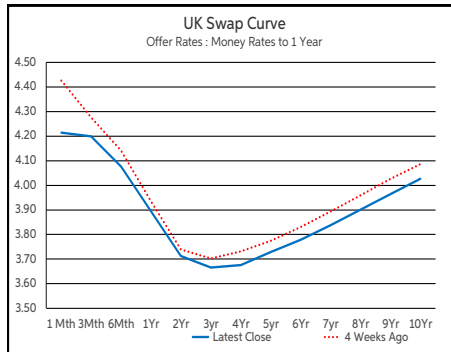
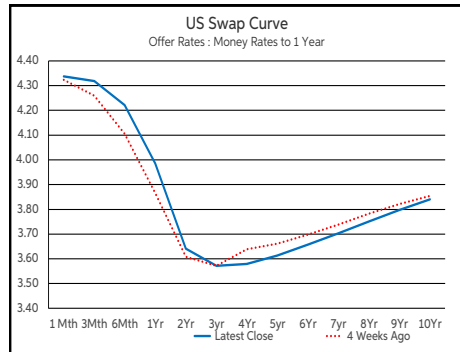
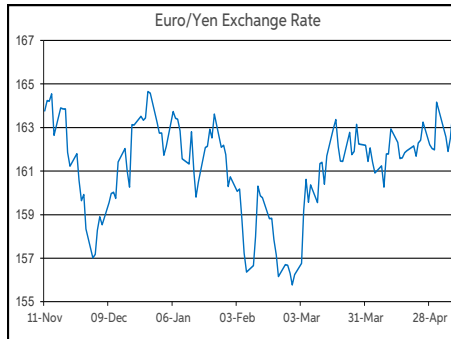
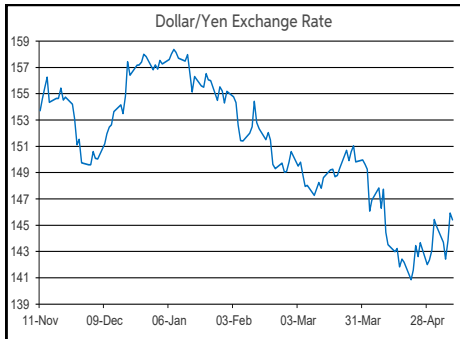
EUR/GBP	0.8484
EUR/USD	1.1233
EUR/JPY	163.35
EUR/SEK	10.9179
EUR/DKK	7.4607
EUR/NOK	11.7182
EUR/CHF	0.9338
EUR/AUD	1.7547
EUR/HKD	8.7341
EUR/CAD	1.5636

Sterling

GBP/EUR	1.178
GBP/USD	1.3235
GBP/CAD	1.8424
GBP/NZD	2.2446
GBP/JPY	192.45
GBP/SEK	12.8632
GBP/DKK	8.7886
GBP/NOK	13.8087
GBP/CHF	1.0999
GBP/AUD	2.0668

Dollar

USD/JPY	145.41
USD/CAD	1.3923
USD/CHF	0.8311
USD/CNY	7.246
USD/BRL	5.662
USD/RUB	82.4
USD/INR	85.655
AUD/USD	0.64
NZD/USD	0.5892



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.37	+10	-2	-20
Germany	2.52	+4	-6	+16
UK	4.55	+9	-10	-3
5 Year Swap %				
US	3.89	+15	-2	-40
Eurozone	2.21	+9	-6	-3
UK	3.97	+11	-1	-31
2 Year Swap %				
US	3.90	+10	+3	-43
Eurozone	1.95	+5	-4	-24
UK	3.96	+12	+3	-52
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	-2	+2	+8
Belgium	58	-1	-4	-4
France	71	-1	-6	-12
Italy	107	-2	-16	-9
Spain	65	-0	-8	-5
Portugal	52	-1	-9	+4
Greece	82	-4	-11	-6

Commodities				
	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	62.84	+2.81	-0.77	-15.81
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3305.3	-1.76	+4.14	+25.97

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