

FX markets range bound

There was a cautious mood on markets yesterday, amid a busy data schedule on both sides of the Atlantic. Overall, the Euro Stoxx 50 gained 0.2% on the day, while the S&P 500 rose by 0.4%. However, benchmark sovereign bond yields moved 5-10bps lower, partly owing to a marginal softening in market interest rate expectations.

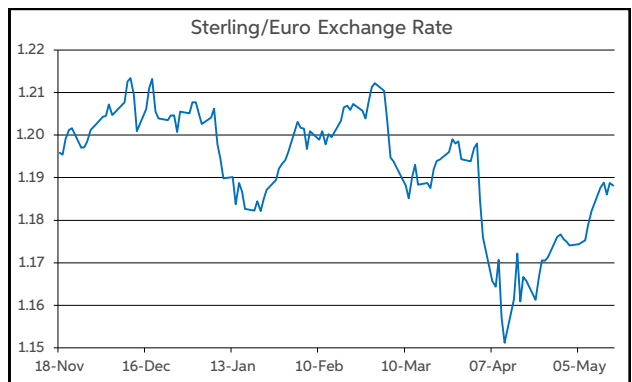
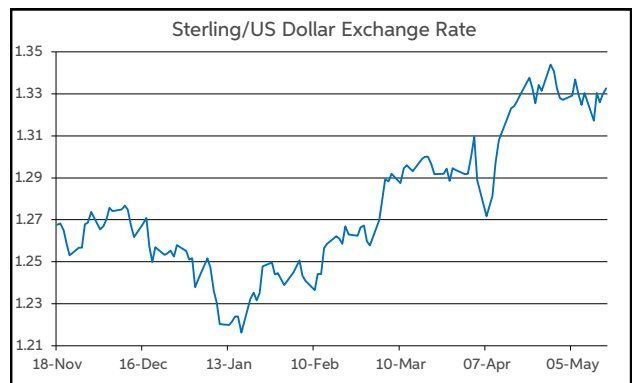
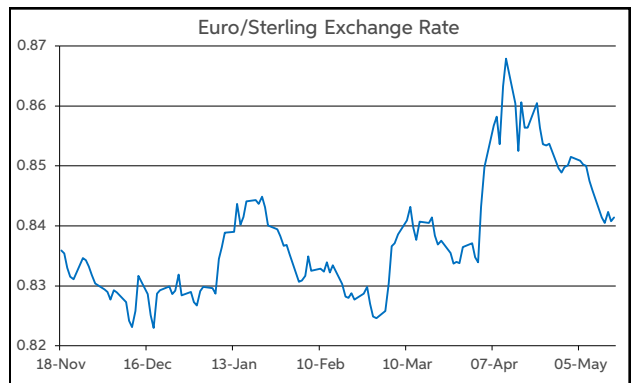
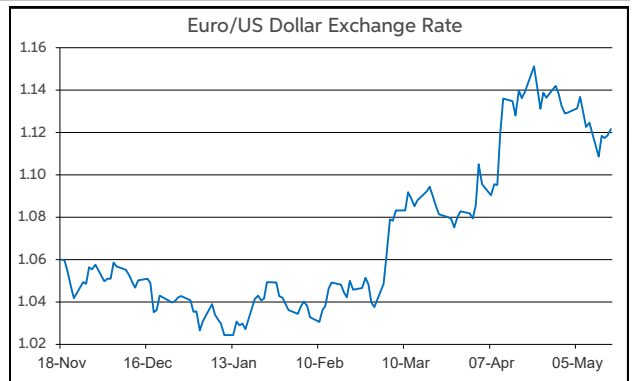
In the US, retail sales were slightly better than anticipated, rising by 0.1% m/m in April (vs. +0.0% f'cast). Furthermore, the March data were revised higher to +1.7% from +1.4%. However, US industrial production stagnated in April (vs. +0.2% f'cast). Meantime, producer price inflation unexpectedly declined by 0.5% in April (vs. +0.2% f'cast). Regarding more timely updates, the Empire State and NAHB homebuilder sentiment indicators deteriorated in May. In the Eurozone, GDP growth was revised lower to +0.3% in Q1 from 0.4% previously. Employment also rose by 0.3% in Q1 (vs. +0.1% f'cast). Eurozone industrial production printed above the consensus as well, expanding by 2.6% in March (vs. +1.8% f'cast).

Despite the busy data docket for investors to digest, trading conditions on currency markets were relatively steady. Indeed, the main FX pairs have operated within quite narrow ranges over the past 24 hours. Of the limited price action to note, the yen has remained in the ascendancy, while sterling has continued to benefit from strong Q1 GDP, released before yesterday's European open.

This sees EUR/GBP start today back near the 84p mark. GBP/USD is up above \$1.33. Elsewhere, EUR/USD is changing hands north of the \$1.12 handle. USD/JPY is down in the bottom half of the ¥145-146.

Turning to the day ahead, there is a much quieter look to the data calendar. The main release of note will be the preliminary reading of the Michigan measure of US consumer sentiment. A slight improvement from very low levels is pencilled in for May.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1217	0.22	8.35
EUR/GBP	0.8415	-0.19	1.72
GBP/USD	1.3326	0.40	6.51
GBP/EUR	1.1879	0.19	-1.69
USD/JPY	145.15	-0.64	-7.65
EUR/JPY	162.81	-0.43	0.04

* 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	4.31	4.02	4.01	3.96
EUR	2.40	2.13	2.14	2.04	2.03	2.25
GBP	4.25	4.20	4.20	3.94	4.04	4.08

All rates quoted are indicative market rates

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Opening Levels

Friday 16 May 2025
07:38 am



Euro

EUR/GBP	0.8415
EUR/USD	1.1217
EUR/JPY	162.81
EUR/SEK	10.8936
EUR/DKK	7.4603
EUR/NOK	11.665
EUR/CHF	0.9346
EUR/AUD	1.7455
EUR/HKD	8.7612
EUR/CAD	1.5636

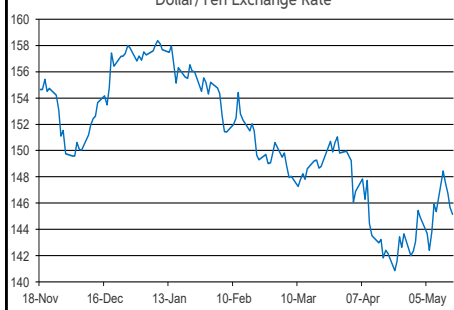
Sterling

GBP/EUR	1.1879
GBP/USD	1.3326
GBP/CAD	1.8577
GBP/NZD	2.2546
GBP/JPY	193.43
GBP/SEK	12.9418
GBP/DKK	8.8617
GBP/NOK	13.8597
GBP/CHF	1.1105
GBP/AUD	2.0733

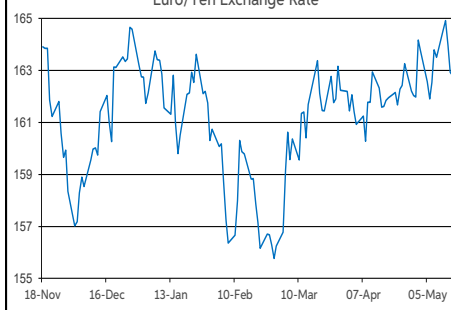
Dollar

USD/JPY	145.15
USD/CAD	1.3942
USD/CHF	0.8332
USD/CNY	7.201
USD/BRL	5.6817
USD/RUB	80.35
USD/INR	85.531
AUD/USD	0.6424
NZD/USD	0.5907

Dollar/Yen Exchange Rate

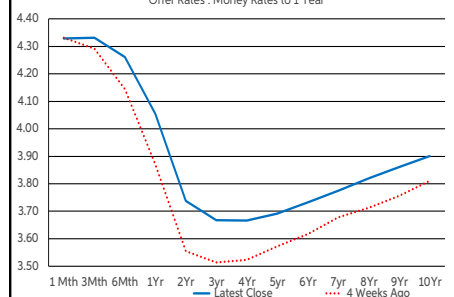


Euro/Yen Exchange Rate



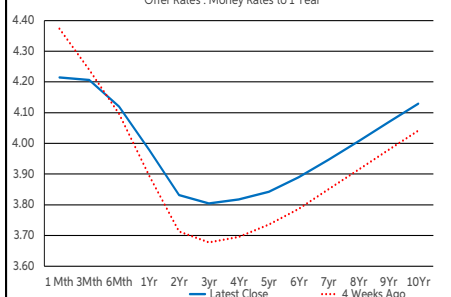
US Swap Curve

Offer Rates : Money Rates to 1 Year



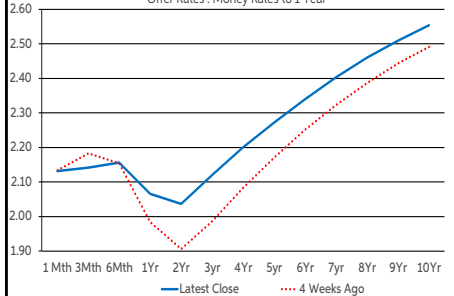
UK Swap Curve

Offer Rates : Money Rates to 1 Year

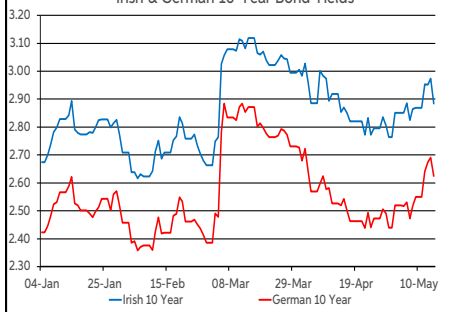


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.46	-7	+13	-12
Germany	2.63	-7	+16	+26
UK	4.66	-6	+9	+9
Ireland	2.91	-8	+8	+26
Belgium	3.16	-7	+8	+18
France	3.30	-9	+5	+10
Italy	3.64	-9	-1	+12
Spain	3.24	-8	+6	+17
Portugal	3.12	-7	+7	+27
Greece	3.44	-3	+5	+19

5 Year Swap %				
US	3.96	-10	+15	-33
Eurozone	2.27	-8	+10	+3
UK	4.08	-4	+10	-20

2 Year Swap %				
US	4.02	-5	+22	-31
Eurozone	2.03	-5	+13	-16
UK	4.05	-3	+10	-43

10 Year Government Bond Spreads to Benchmark bps				
Ireland	29	-1	-8	+0
Belgium	54	-1	-8	-8
France	67	-2	-11	-16
Italy	101	-2	-17	-15
Spain	61	-1	-10	-9
Portugal	50	-1	-9	+1
Greece	82	+4	-12	-7

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	64.53	-2.36	-5.05	-13.55
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3239.8	+1.93	-2.64	+23.48

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