

Sterling on the front foot

There was a positive tone to investor sentiment at the start of the week. Benchmark equity indices moved higher on both sides of the Atlantic, supported by a tailwind from the US tariff exemption on electronic goods, announced at the weekend. The Euro Stoxx 50 jumped 2.6% higher yesterday, while the S&P 500 gained 0.8%.

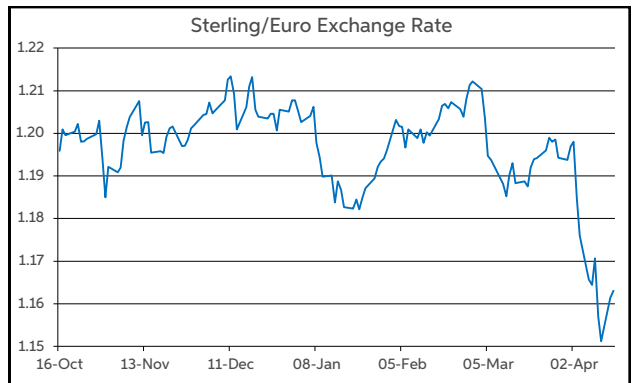
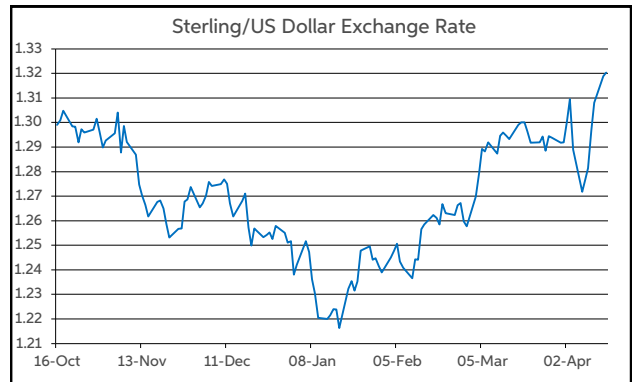
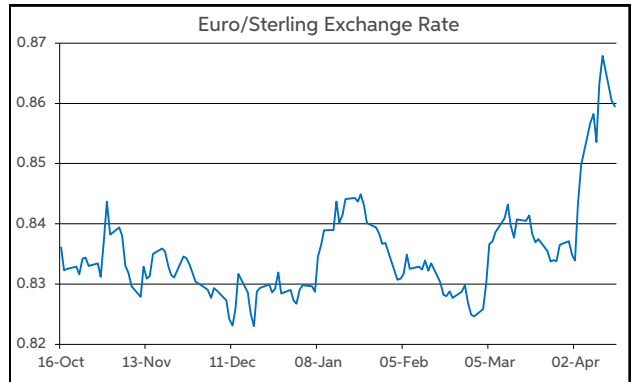
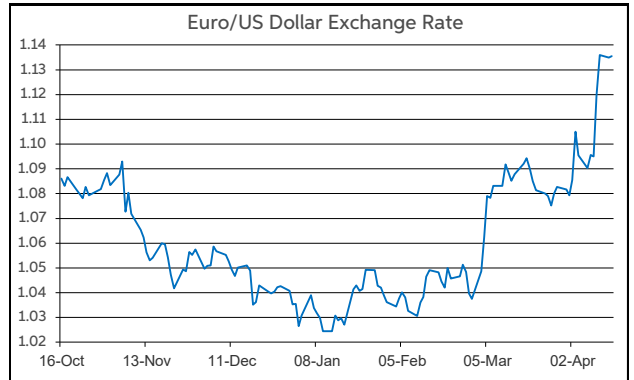
Trading conditions were also markedly calmer across financial markets yesterday, amid a sparse data calendar and no new major US trade policy announcements. Against this backdrop, bond yields moved lower across the board. US Treasury yields declined by circa 5-15bps along the curve, having risen sharply last week. UK Gilt yields fell by a similar amount. Meantime, German Bund yields moved lower by a more modest 3-8bps.

On the currency front, the euro handed back some of its gains from last week. At the same time, there was a firmer tone to sterling. Elsewhere, the dollar remained under pressure, with the dollar index staying below the 100 mark. Overall, this has resulted in sterling moving 0.8-0.9% higher against the dollar and the euro.

In level terms, this sees EUR/GBP open today back below the 86p mark. GBP/USD is operating north of the \$1.32 threshold. Meanwhile, EUR/USD is changing hands back near the midpoint of \$1.13-1.14. USD/JPY remains in and around the ¥143 handle.

Already this morning, UK labour market data have printed broadly in-line with expectations. The unemployment rate was unchanged at 4.4% in February as anticipated, while average earnings growth slowed to 5.6% y/y (vs. 5.7% f'cast). The data have not impacted sterling in early trading. Later today, Eurozone industrial production (Feb) and the German ZEW survey (Apr) are due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1354	-0.11	9.67
EUR/GBP	0.8595	-0.89	3.89
GBP/USD	1.3205	0.79	5.55
GBP/EUR	1.1628	0.90	-3.75
USD/JPY	143.13	0.06	-8.94
EUR/JPY	162.54	-0.04	-0.13

* 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	4.33	4.28	3.91	3.93	3.93
EUR	2.65	2.30	2.28	2.06	1.98	2.23
GBP	4.50	4.39	4.27	3.98	4.06	4.08

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Euro

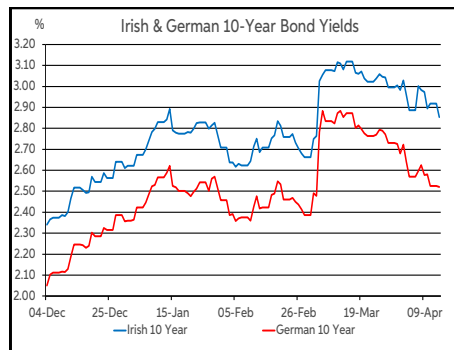
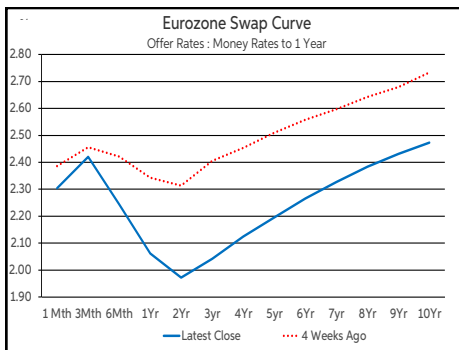
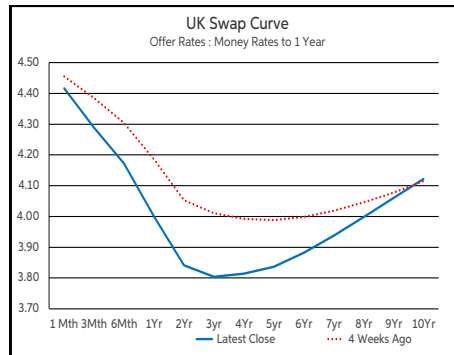
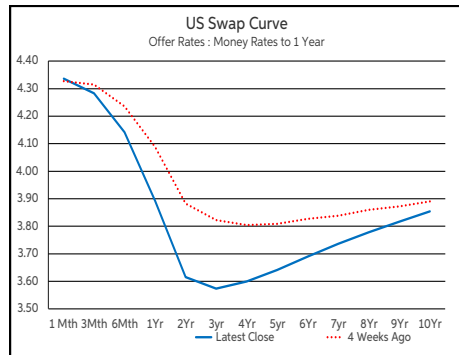
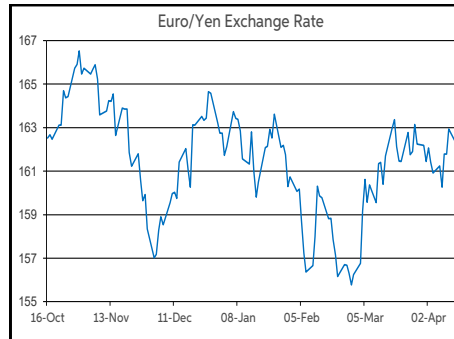
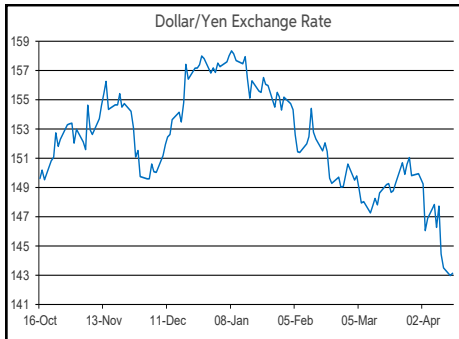
EUR/GBP	0.8594
EUR/USD	1.1353
EUR/JPY	162.54
EUR/SEK	11.0752
EUR/DKK	7.4662
EUR/NOK	11.9633
EUR/CHF	0.9274
EUR/AUD	1.7843
EUR/HKD	8.809
EUR/CAD	1.5737

Sterling

GBP/EUR	1.1629
GBP/USD	1.3205
GBP/CAD	1.8303
GBP/NZD	2.2303
GBP/JPY	189
GBP/SEK	12.8832
GBP/DKK	8.679
GBP/NOK	13.9157
GBP/CHF	1.0783
GBP/AUD	2.0745

Dollar

USD/JPY	143.13
USD/CAD	1.3862
USD/CHF	0.8166
USD/CNY	7.3091
USD/BRL	5.8546
USD/RUB	82.1
USD/INR	85.702
AUD/USD	0.6362
NZD/USD	0.5917



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.36	-13	+6	-21
Germany	2.52	-1	-28	+16
UK	4.67	-8	+3	+9
5 Year Swap %				
US	3.89	-11	-17	-40
Eurozone	2.19	-13	-31	-4
UK	4.08	-2	-15	-21
2 Year Swap %				
US	3.87	-9	-25	-46
Eurozone	1.97	-9	-34	-22
UK	4.05	-1	-23	-43
10 Year Government Bond Spreads to Benchmark bps				
Ireland	36	-6	+6	+7
Belgium	61	-4	+8	-1
France	76	-6	+7	-7
Italy	116	-12	+11	+0
Spain	69	-7	+7	-1
Portugal	58	-7	+8	+10
Greece	92	-7	+8	+3

Commodities				
	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	64.88	+0.19	-8.71	-13.08
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3209.3	-0.83	+6.92	+22.31

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