

Dollar firmer post CPI release

Investor sentiment was holding a cautious tone yesterday on both sides of the Atlantic. This was reflected by the Euro Stoxx 50 inching 0.3% lower, while on Wall Street the S&P 500 declined y 0.4%. On bond markets, German Bund yields fell circa 2bps. In contrast, UK Gilt yields rose by 1-5bps, while US Treasury yields moved 3-6bps higher along the curve. The move in Treasury yields followed the release of CPI inflation data for June.

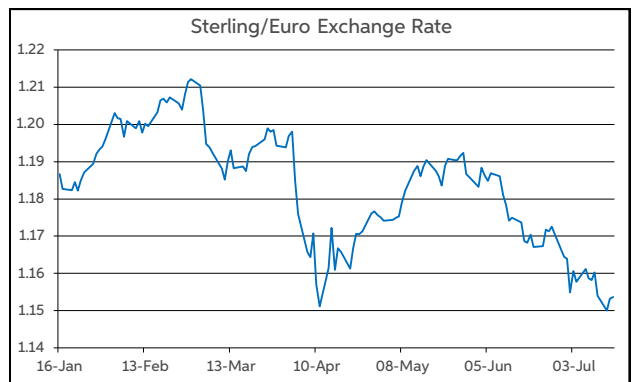
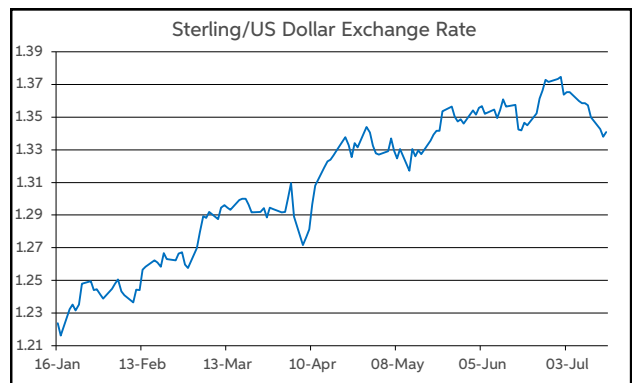
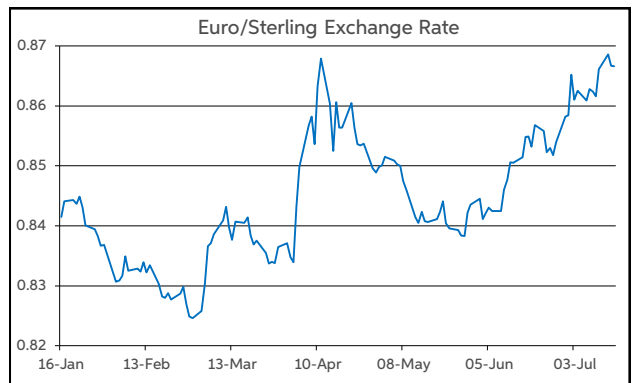
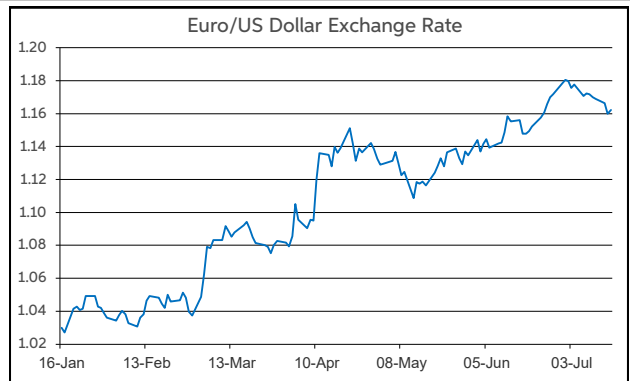
Overall, US CPI inflation was broadly in-line with expectations. The headline rate rose to 2.7% (vs. 2.6% f'cast), while the core rate increased to 2.9% (vs. 3.0% f'cast). However, the underlying details of the report showed some signs that tariffs may be contributing to higher prices for certain items. Indeed, core goods excluding autos prices, jumped by 0.5% in the month, the fastest pace of increase since June 2022.

US rate expectations firmed following the release, albeit market pricing is still leaning towards two rate cuts in the second half of the year. Around 45bps of easing is expected by year end. On the currency front, the dollar was in the ascendancy in the aftermath of the CPI release also. This was evidenced by the dollar gaining around 0.2% against sterling and 0.5% versus the euro yesterday.

As trading gets underway this morning, EUR/USD is down in the lower half of the \$1.16-1.17 range, having tested below \$1.16 yesterday. Meanwhile, GBP/USD is back at the \$1.34 threshold. EUR/GBP is changing hands nearer to the midpoint of the 86-87p corridor.

Already today, UK CPI inflation for June has been released. Both the headline and the core rate have printed above the consensus, rising to 3.6% (vs. 3.4% f'cast) and 3.7% (vs. 3.5%). Sterling has been a touch firmer in early trading following the release. Later today, the main highlight will be US PPI inflation for June.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.1622	-0.46	12.26
EUR/GBP	0.8665	-0.30	4.74
GBP/USD	1.3409	-0.16	7.18
GBP/EUR	1.1537	0.30	-4.52
USD/JPY	148.68	0.70	-5.41
EUR/JPY	172.82	0.24	6.19

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates

	Money Market			Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.38	4.34	4.33	4.01	3.99	3.94
EUR	2.00	1.87	2.04	2.01	2.03	2.33
GBP	4.25	4.13	4.03	3.78	3.89	3.99

All rates quoted are indicative market rates

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Opening Levels

Wednesday 16 July 2025
07:47 am



Euro

EUR/GBP	0.8665
EUR/USD	1.1622
EUR/JPY	172.82
EUR/SEK	11.2851
EUR/DKK	7.463
EUR/NOK	11.894
EUR/CHF	0.9305
EUR/AUD	1.781
EUR/HKD	9.1232
EUR/CAD	1.5936

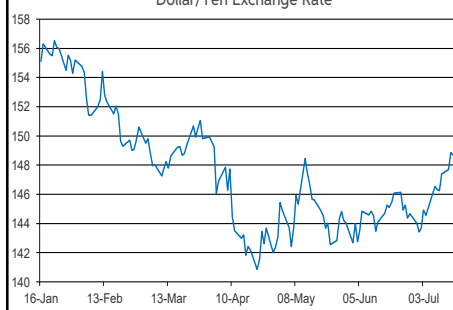
Sterling

GBP/EUR	1.1537
GBP/USD	1.3409
GBP/CAD	1.8384
GBP/NZD	2.2524
GBP/JPY	199.37
GBP/SEK	13.0177
GBP/DKK	8.6079
GBP/NOK	13.727
GBP/CHF	1.0733
GBP/AUD	2.0546

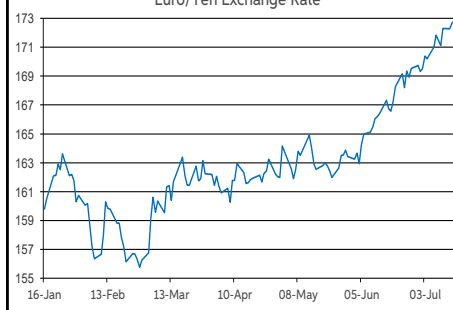
Dollar

USD/JPY	148.68
USD/CAD	1.3714
USD/CHF	0.8005
USD/CNY	7.1788
USD/BRL	5.5588
USD/RUB	78.12
USD/INR	85.769
AUD/USD	0.6521
NZD/USD	0.5949

Dollar/Yen Exchange Rate

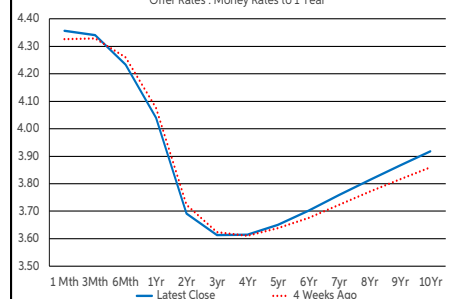


Euro/Yen Exchange Rate



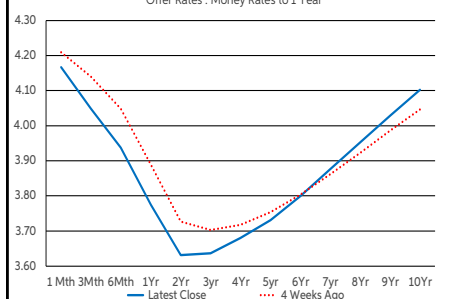
US Swap Curve

Offer Rates : Money Rates to 1 Year



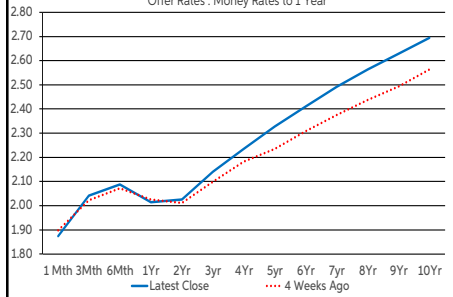
UK Swap Curve

Offer Rates : Money Rates to 1 Year

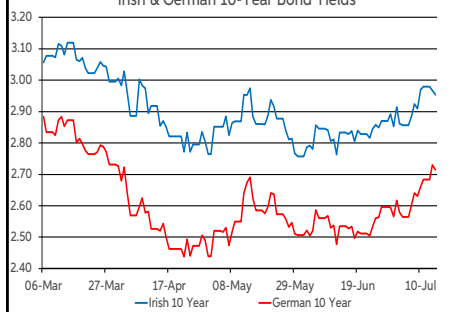


Eurozone Swap Curve

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	4.49	+6	+10	-9
Germany	2.72	-2	+18	+35
UK	4.62	+2	+7	+5
Ireland	3.00	-1	+11	+35
Belgium	3.27	-2	+15	+28
France	3.41	-2	+16	+21
Italy	3.60	-2	+8	+8
Spain	3.32	-2	+9	+26
Portugal	3.16	-2	+11	+31
Greece	3.39	-5	+9	+14
5 Year Swap %				
US	3.90	+5	+3	-39
Eurozone	2.32	-0	+9	+9
UK	3.97	+3	-1	-31
2 Year Swap %				
US	3.95	+4	-3	-38
Eurozone	2.02	-1	+1	-17
UK	3.86	+2	-9	-63
10 Year Government Bond Spreads to Benchmark bps				
Ireland	28	+1	-7	-1
Belgium	55	-0	-3	-7
France	69	-1	-2	-14
Italy	89	+0	-10	-27
Spain	61	-1	-9	-9
Portugal	44	-0	-7	-4
Greece	68	-3	-9	-21

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	68.71	-0.72	-10.12	-7.94
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3322.2	-0.64	-1.95	+26.62

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