

Dollar boosted by tariff pause announcement

The risk averse tone to investor sentiment carried over to the European session yesterday, as the trade war sparked by the US tariffs announcement last week continued to escalate. China raised tariffs on US goods to 84%. In response, the US raised tariffs on Chinese imports to 125%. Meantime, the EU replied to 25% levies placed on aluminium and steel back in March, by introducing targeted tariffs on some US imports, worth roughly €21bn.

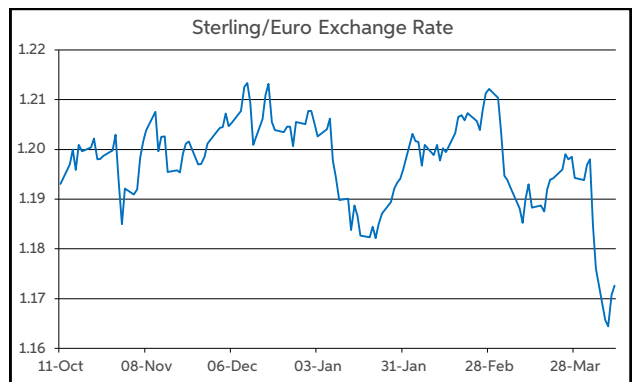
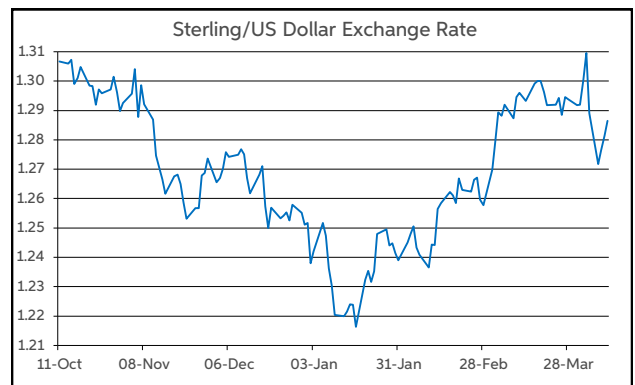
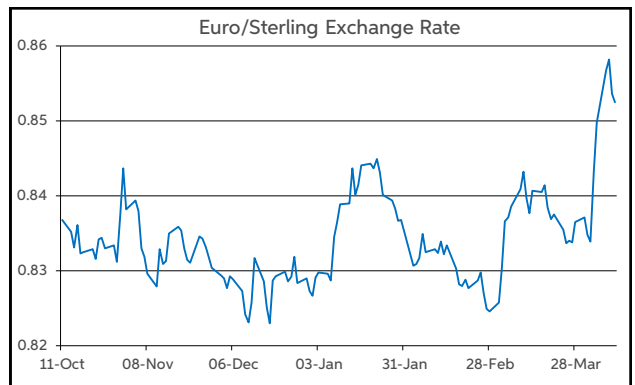
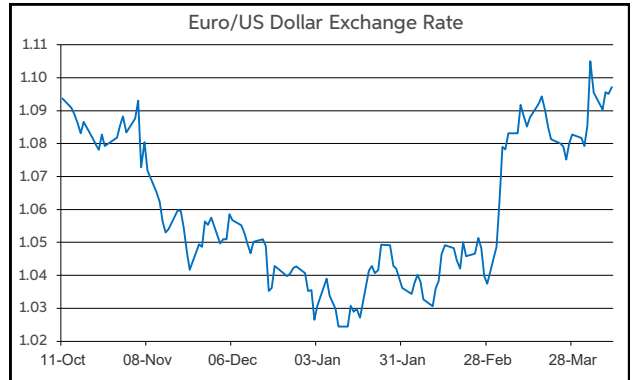
Against that backdrop, trading conditions were volatile, with the Euro Stoxx 50 finishing the day down 3.2%. At the same time, there were large and sharp moves on bond markets, particularly in US Treasuries, sparking concern of broader financial market stress.

However, President Trump later announced that the US will pause implementing reciprocal tariffs on countries who have not retaliated for 90-days, although the 10% universal rate will remain in place. The announcement sent equity markets soaring, with the S&P 500 closing up 9.5% overall. Meanwhile, long-dated Treasury yields declined overnight.

Currency-wise, the dollar benefitted from the decision to pause the tariffs. Meantime, the Swiss franc and the yen fell sharply, while the euro also moved lower. As trading gets underway this morning, EUR/USD is back below \$1.10. GBP/USD remains in the top half of \$1.28-1.29. Elsewhere, EUR/GBP is operating in the bottom half of 85-86p. USD/JPY is up at ¥147.

Today, the main data release will be US CPI inflation for March. Both the headline and core rates are forecast to edge lower. Markets will also continue to digest the pause in US tariffs and any new information regarding the US-China trade war.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0973	-0.86	5.99
EUR/GBP	0.8523	-0.98	3.02
GBP/USD	1.2869	0.13	2.86
GBP/EUR	1.1727	0.99	-2.93
USD/JPY	146.97	1.40	-6.50
EUR/JPY	161.29	0.54	-0.90

* 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	4.34	4.28	3.91	3.95	3.93
EUR	2.65	2.33	2.29	2.09	2.06	2.35
GBP	4.50	4.41	4.28	4.02	4.11	4.17

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Thursday 10 April 2025
08:18 am



Euro

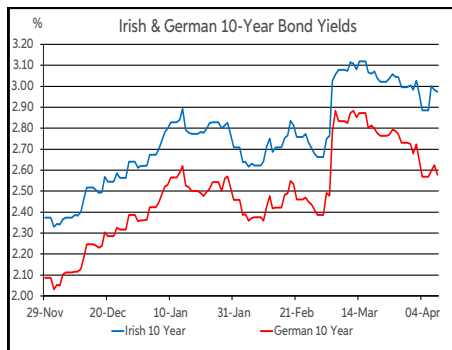
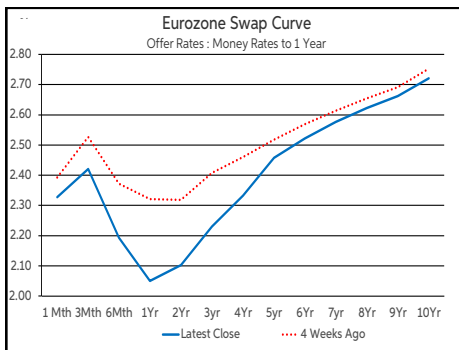
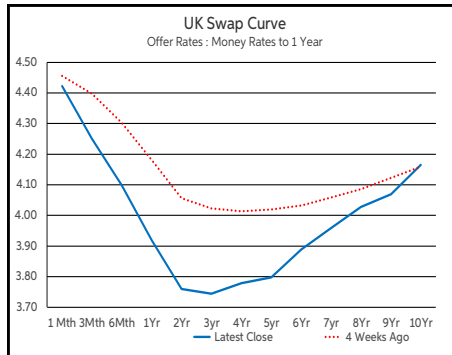
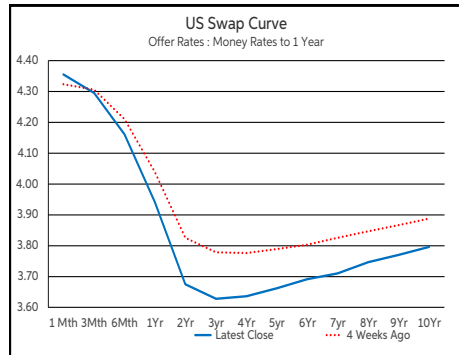
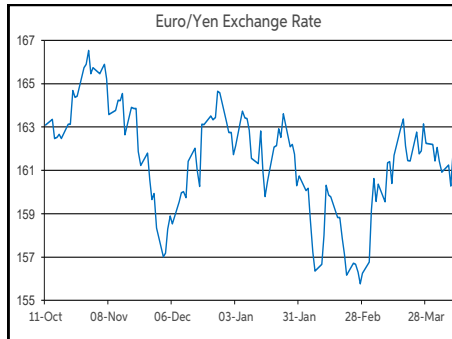
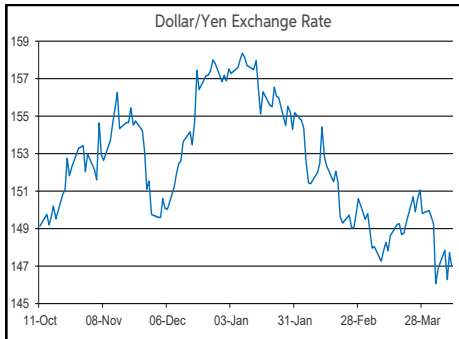
EUR/GBP	0.8524
EUR/USD	1.0971
EUR/JPY	161.26
EUR/SEK	10.9023
EUR/DKK	7.4654
EUR/NOK	11.8291
EUR/CHF	0.9386
EUR/AUD	1.7737
EUR/HKD	8.5179
EUR/CAD	1.5437

Sterling

GBP/EUR	1.1728
GBP/USD	1.2868
GBP/CAD	1.8101
GBP/NZD	2.26
GBP/JPY	189.11
GBP/SEK	12.7817
GBP/DKK	8.752
GBP/NOK	13.8721
GBP/CHF	1.1003
GBP/AUD	2.0796

Dollar

USD/JPY	146.96
USD/CAD	1.4074
USD/CHF	0.8553
USD/CNY	7.3409
USD/BRL	5.8187
USD/RUB	85.7
USD/INR	86.222
AUD/USD	0.6183
NZD/USD	0.5688



Debt Markets				
	Close	Day	Change bps	
			4 Weeks	End 24
10 Year Yield %				
US	4.40	+14	+8	-18
Germany	2.58	-4	-31	+22
UK	4.79	+18	+6	+21
5 Year Swap %				
US	3.93	+22	-10	-36
Eurozone	2.45	+21	-6	+22
UK	4.05	+0	-23	-23
2 Year Swap %				
US	3.95	+28	-12	-39
Eurozone	2.10	+14	-21	-9
UK	3.99	-2	-31	-50
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	+5	+20	+16
Belgium	64	+3	+11	+2
France	81	+4	+14	-2
Italy	131	+7	+25	+15
Spain	77	+5	+16	+7
Portugal	65	+3	+15	+16
Greece	100	+6	+16	+12

Commodities				
	Close	Day	% Change	
			4 Weeks	End 24
Brent Oil	65.48	+4.23	-7.71	-12.27
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3082.2	+3.30	+5.12	+17.47

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