

## Euro moves sharply higher

The relief rally that ensued following the US decision to delay reciprocal tariffs for 90-days disintegrated yesterday. Risk appetite soured markedly as investors realised that tariffs could still be introduced later down the line, given negotiating multiple trade deals will be difficult, and as the US-China trade war continued to escalate. Documents released by the White House yesterday state that the US will apply a 125% tariff rate on Chinese imports on top of the existing 20% charge, meaning the levy is actually now 145%.

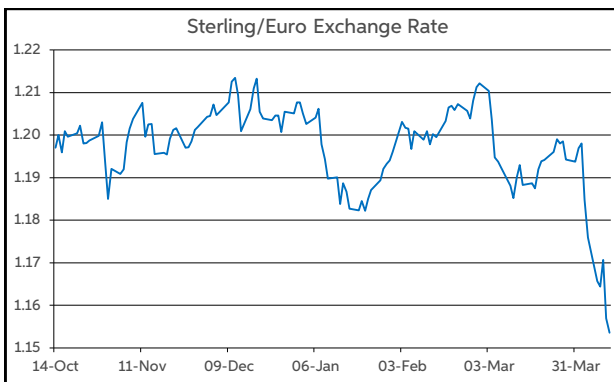
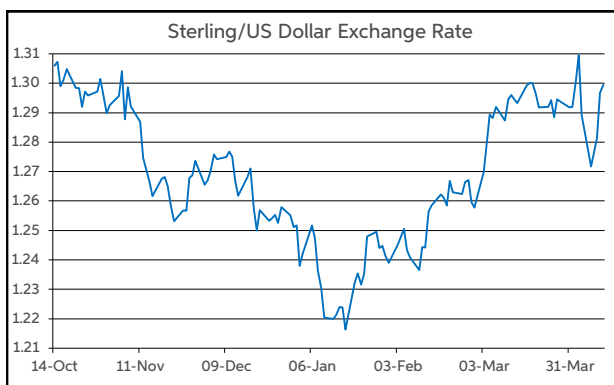
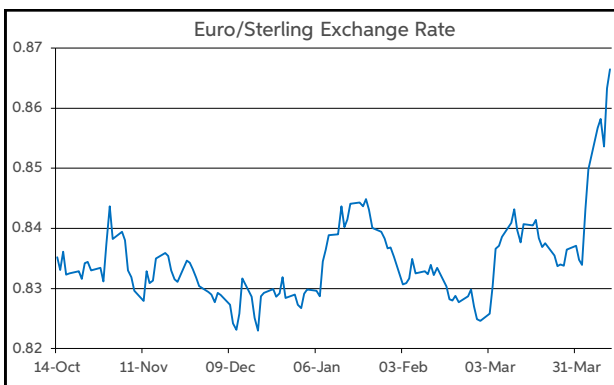
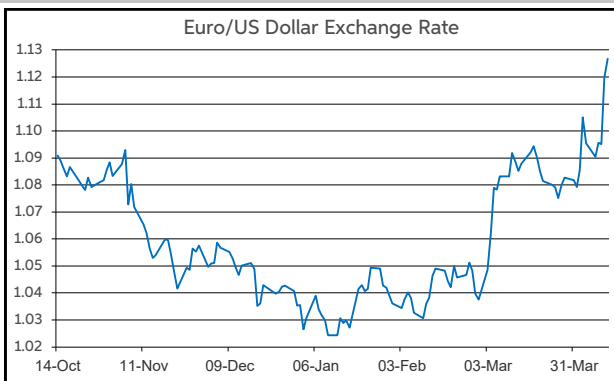
Overall, trading conditions remained very volatile, amid the significant swing in sentiment. On equity markets, the Euro Stoxx 50 registered a 4.3% gain yesterday, having missed the relief rally the day prior. In contrast, the S&P 500 shed 3.5%. In terms of fixed income, the US Treasury yield curve re-steepened, with short-dated yields declining and long-dated yields rising sharply.

Meantime, somewhat under the radar, US CPI inflation came in better than expected in March. Both the headline and the core rates printed 0.2 percentage points below the consensus, falling to 2.4% and 2.8%, respectively.

On the currency front, in a similar vein to earlier in the week, the Swiss franc, yen and euro all benefitted from the deterioration in sentiment. At the same time, the dollar and sterling were on the defensive. This saw the euro record new year-to-date highs versus both, at \$1.1383 and 87.19p. As trading gets underway today, EUR/USD is at \$1.1264, while EUR/GBP is in the top half of 86-87p.

Already today, the monthly reading of UK GDP has printed above the consensus, rising by 0.5% in February (vs. +0.1% f'cast). Later on, the Michigan measure of US consumer sentiment will feature.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1264	2.57	8.80
EUR/GBP	0.8667	1.49	4.76
GBP/USD	1.2996	1.08	3.88
GBP/EUR	1.1536	-1.47	-4.55
USD/JPY	144.02	-1.76	-8.37
EUR/JPY	162.25	0.76	-0.31
* 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	4.30	4.24	3.84	3.88	3.94
EUR	2.65	2.33	2.30	2.08	2.03	2.29
GBP	4.50	4.42	4.28	3.93	3.97	4.00

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	0.8668
EUR/USD	1.1264
EUR/JPY	162.24
EUR/SEK	11.0409
EUR/DKK	7.4664
EUR/NOK	12.0985
EUR/CHF	0.9283
EUR/AUD	1.8164
EUR/HKD	8.7369
EUR/CAD	1.5746

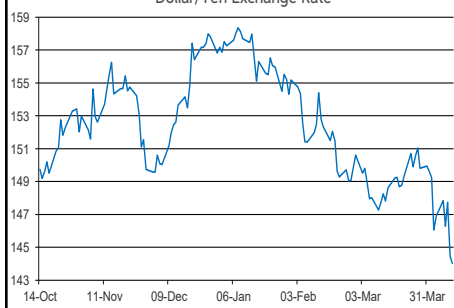
## Sterling

GBP/EUR	1.1536
GBP/USD	1.2996
GBP/CAD	1.8161
GBP/NZD	2.254
GBP/JPY	187.17
GBP/SEK	12.7379
GBP/DKK	8.6136
GBP/NOK	13.9407
GBP/CHF	1.0706
GBP/AUD	2.0944

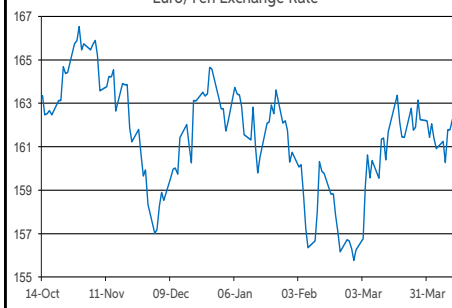
## Dollar

USD/JPY	144.02
USD/CAD	1.3978
USD/CHF	0.824
USD/CNY	7.325
USD/BRL	5.8853
USD/RUB	84.1
USD/INR	86.145
AUD/USD	0.6201
NZD/USD	0.576

Dollar/Yen Exchange Rate

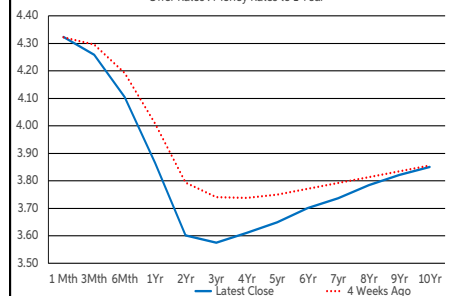


Euro/Yen Exchange Rate



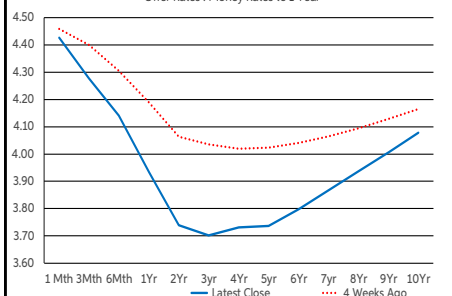
US Swap Curve

Offer Rates : Money Rates to 1 Year



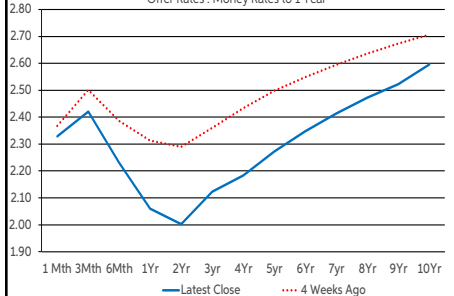
UK Swap Curve

Offer Rates : Money Rates to 1 Year

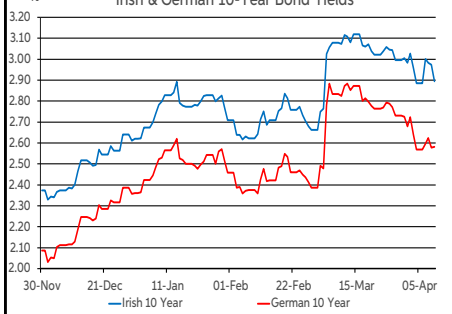


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.39	-0	+12	-19
Germany	2.58	+0	-27	+22
UK	4.64	-14	-4	+7
Ireland	2.93	-10	-20	+28
Belgium	3.21	-1	-20	+22
France	3.36	-4	-20	+16
Italy	3.82	-7	-12	+30
Spain	3.31	-4	-18	+25
Portugal	3.20	-3	-18	+35
Greece	3.51	-7	-23	+27
5 Year Swap %				
US	3.91	-2	-9	-38
Eurozone	2.27	-19	-23	+3
UK	3.98	-7	-26	-30
2 Year Swap %				
US	3.87	-8	-19	-47
Eurozone	2.00	-10	-28	-19
UK	3.93	-6	-34	-56
10 Year Government Bond Spreads to Benchmark bps				
Ireland	35	-10	+7	+6
Belgium	62	-2	+7	+0
France	77	-4	+7	-6
Italy	123	-7	+15	+8
Spain	73	-4	+9	+3
Portugal	61	-4	+9	+13
Greece	93	-7	+4	+4

## Commodities

	Close	Day	4 Weeks	End 24
% Change				
Brent Oil	63.33	-3.28	-9.37	-15.15
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3173.9	+2.98	+6.23	+20.97

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