

Markets reverse course sharply

The risk-off tone at the start of the week evaporated yesterday, as European markets returned from the long weekend. The firmer tone to risk appetite stemmed from President Trump stating he has no intention of firing Fed Chair Powell, as well as comments from US Treasury Secretary Bessent, hinting at a de-escalation in trade tensions with China. Some strong corporate earnings data also supported the positive tone to investor sentiment.

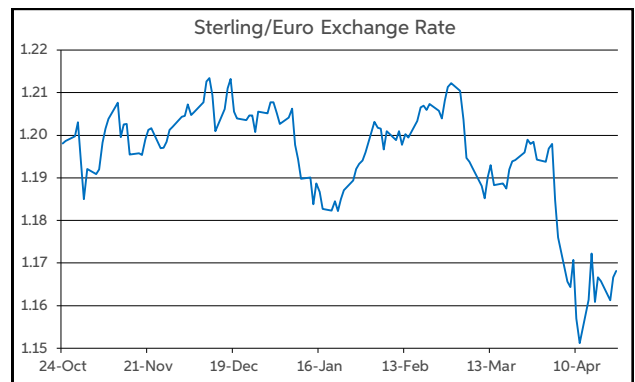
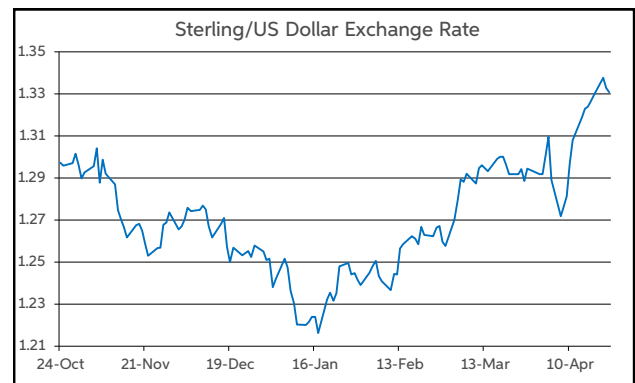
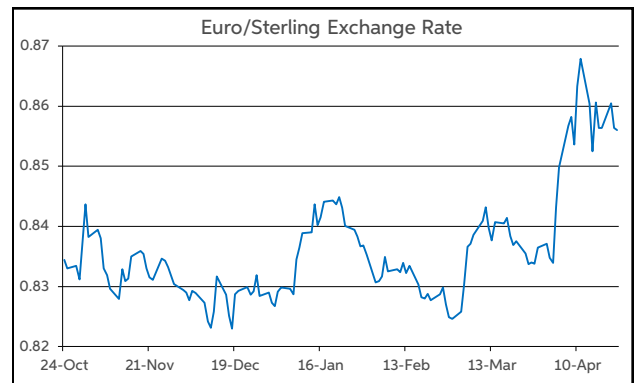
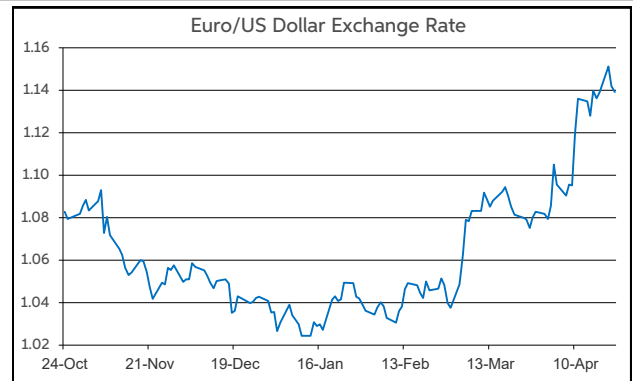
Against this backdrop, markets moved in the direct opposite direction to Monday, with US assets recovering their recent losses. At the same time, oil prices moved higher and gold prices declined from their all-time high. The S&P 500 rose by 2.5% yesterday. In contrast the Euro Stoxx 50 registered a more modest 0.5% gain. Meantime, the US Treasury yield curve flattened, with long-dated yields falling by 2-12bps, while short-dated yields rose by 4bps. Elsewhere, German Bund yields declined by 3-4bps along the curve.

On the currency front, the dollar appreciated sharply, recording broad-based gains. Most notably, the greenback moved over 1% higher against the euro, yen and the Swiss franc. Meantime, the euro lost some ground to sterling.

In level terms, the firmer tone to the dollar is evidenced by EUR/USD opening this morning below the \$1.14 threshold, having started the week north of \$1.15. GBP/USD is operating back near the \$1.33 handle. USD/JPY is changing hands up in the top half of ¥141-142. Meanwhile, EUR/GBP is down near the midpoint of the 85-86p range.

Looking ahead, the main data highlight today will be the flash PMIs for April in the Eurozone, UK and US. The Eurozone PMIs are forecast to edge slightly lower, while a more pronounced deterioration in both sectors is expected in the UK and the US. Remarks from a number of central bank officials will also garner attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1393	-1.17	10.05
EUR/GBP	0.856	-0.48	3.47
GBP/USD	1.3307	-0.72	6.36
GBP/EUR	1.1679	0.48	-3.35
USD/JPY	141.83	1.17	-9.77
EUR/JPY	161.61	-0.02	-0.70

* 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	4.28	3.89	3.88	3.86
EUR	2.40	2.13	2.18	1.97	1.89	2.14
GBP	4.50	4.31	4.19	3.82	3.89	3.95

All rates quoted are indicative market rates

See Next Page For More Rates &

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

Wednesday 23 April 2025
06:13 am



Euro

EUR/GBP	0.856
EUR/USD	1.1393
EUR/JPY	161.61
EUR/SEK	10.8912
EUR/DKK	7.4655
EUR/NOK	11.8034
EUR/CHF	0.9367
EUR/AUD	1.7815
EUR/HKD	8.8401
EUR/CAD	1.5756

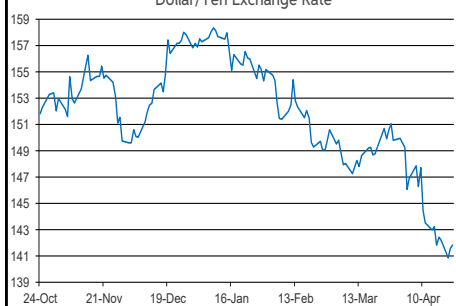
Sterling

GBP/EUR	1.1679
GBP/USD	1.3307
GBP/CAD	1.8402
GBP/NZD	2.2238
GBP/JPY	188.73
GBP/SEK	12.7227
GBP/DKK	8.7175
GBP/NOK	13.7598
GBP/CHF	1.0946
GBP/AUD	2.0798

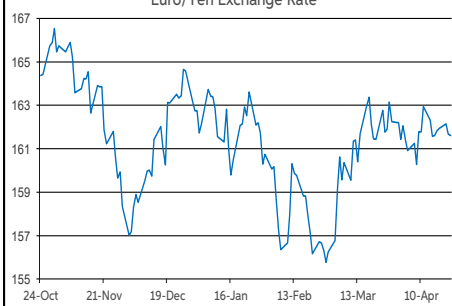
Dollar

USD/JPY	141.83
USD/CAD	1.3829
USD/CHF	0.8222
USD/CNY	7.2975
USD/BRL	5.721
USD/RUB	81.4
USD/INR	85.384
AUD/USD	0.6395
NZD/USD	0.5979

Dollar/Yen Exchange Rate

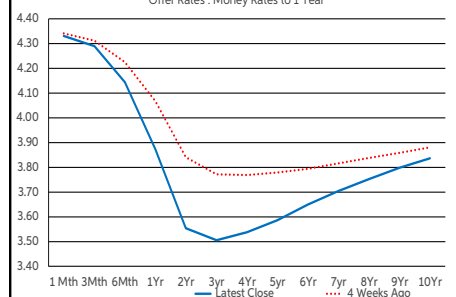


Euro/Yen Exchange Rate



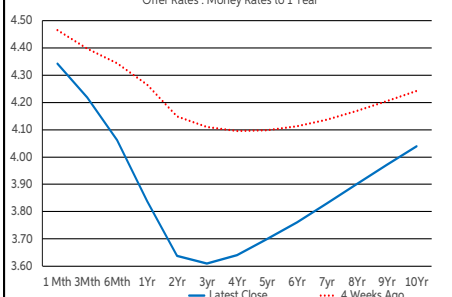
US Swap Curve

Offer Rates : Money Rates to 1 Year



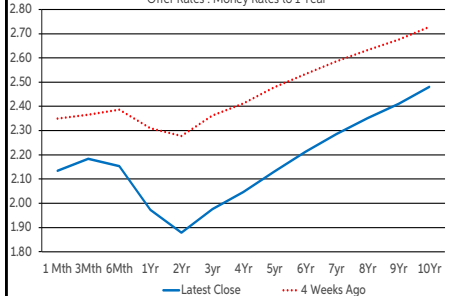
UK Swap Curve

Offer Rates : Money Rates to 1 Year

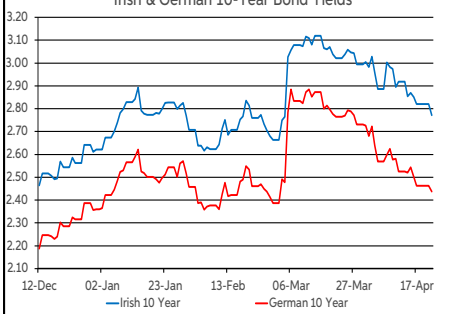


Eurozone Swap Curve

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	4.39	-2	+8	-19
Germany	2.44	-2	-35	+8
UK	4.54	-3	-22	-3
Ireland	2.81	-3	-28	+16
Belgium	3.06	-2	-27	+8
France	3.21	-3	-27	+2
Italy	3.61	-4	-29	+9
Spain	3.14	-4	-28	+7
Portugal	3.03	-2	-28	+18
Greece	3.38	-2	-27	+13
5 Year Swap %				
US	3.84	+2	-19	-45
Eurozone	2.13	-4	-34	-11
UK	3.94	-2	-40	-34
2 Year Swap %				
US	3.81	+5	-29	-53
Eurozone	1.87	-3	-40	-32
UK	3.89	-6	-49	-60
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	-1	+7	+8
Belgium	62	+0	+8	+0
France	77	-1	+8	-6
Italy	117	-2	+7	+1
Spain	69	-2	+7	-1
Portugal	59	-0	+7	+10
Greece	94	+0	+8	+5

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	67.44	+1.78	-7.64	-9.65
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3381.5	-1.25	+11.98	+28.88

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