Morning Comment

AIB Treasury Economic Research Unit

Tuesday 29 April 2025
06:47 am

EUR/USD remains in the top half of $1.13-1.14

There was a subdued start to the week on financial markets, amid a quiet data calendar yesterday. Overall, investor sentiment was holding a cautious tone. This was reflected by the Euro Stoxx 50 registering a modest 0.3% gain, while the S&P 500 recovered late on to finish the day marginally higher, up by 0.1%.

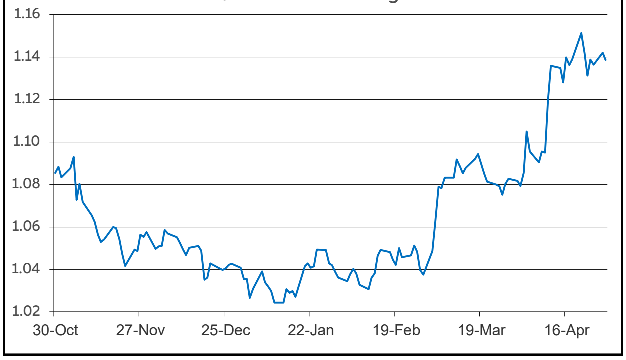
On bond markets, US Treasury yields declined by 1-6bps yesterday, led lower by the front-end of the curve. The move coincided with a marginal softening in US rate expectations, amid concerns on the US economic outlook. Futures contracts are now pricing in close to 90bps of rate cuts between now and year-end, compared to 85bps of easing at yesterday's open. However, the first rate cut is not fully priced-in until July. Elsewhere, medium to long-dated German Bund and UK Gilt yields rose by 2-4bps.

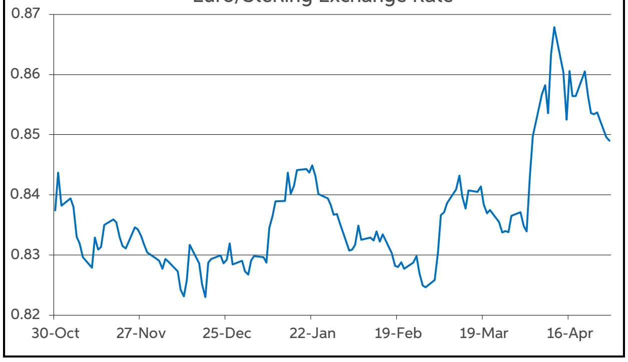
Currency-wise, trading conditions were somewhat choppy. The dollar started the day in the ascendancy but came under some downward pressure just before the European close. This saw EUR/USD trade in a $1.133-1.143 range yesterday, while GBP/USD operated between $1.328-1.344. Overall, the greenback has moved lower over the past 24 hours. Meantime, the euro was on the defensive overnight.

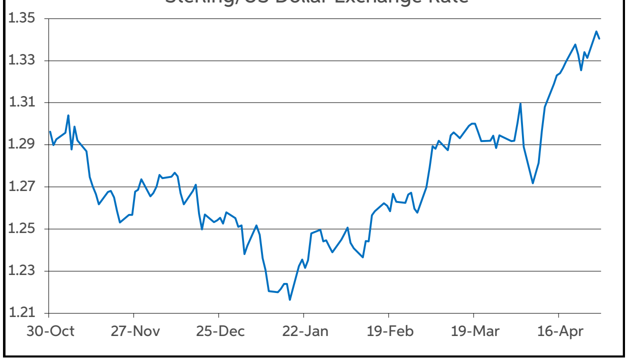
In level terms, EUR/USD opens this morning in the top half of the $1.13-1.14 trading band once again. GBP/USD is operating just above the $1.34 mark. Meantime, EUR/GBP is changing hands back below the 85p handle. USD/JPY is down in the lower half of ¥142-143.

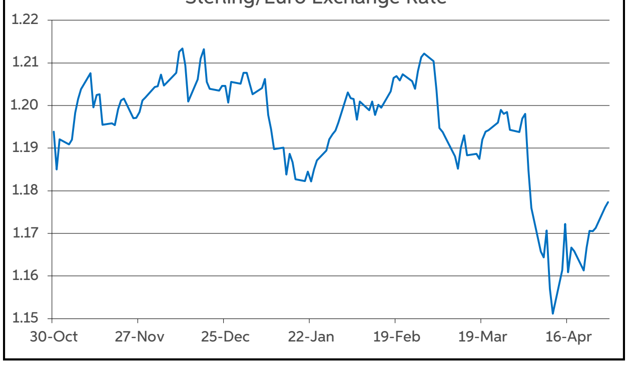
Turning to the day ahead, a busy data calendar includes the latest EC sentiment indicators for April. A modest deterioration is expected across the various sectors. Meanwhile in the US, the JOLTS job openings figure for March is due. Elsewhere, the US Conference Board measure of Consumer confidence for April is forecast to drop back sharply from 92.9 to 87.5, its lowest level since January 2021.

Daniel Noonan, Economist, AIB


Euro/US Dollar Exchange Rate


Euro/Sterling Exchange Rate


Sterling/US Dollar Exchange Rate


Sterling/Euro Exchange Rate

Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.1387	0.13	9.99
EUR/GBP	0.849	-0.56	2.62
GBP/USD	1.3405	0.69	7.15
GBP/EUR	1.1771	0.57	-2.56
USD/JPY	142.41	-0.63	-9.40
EUR/JPY	162.15	-0.50	-0.37

* v Previous Day's European Open

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Opening Interest Rates

		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.38	4.32	4.27	3.82	3.76	3.73
EUR	2.40	2.14	2.17	1.97	1.93	2.18
GBP	4.50	4.27	4.17	3.83	3.90	3.93

All rates quoted are indicative market rates

See Next Page For More Rates &

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Opening Levels

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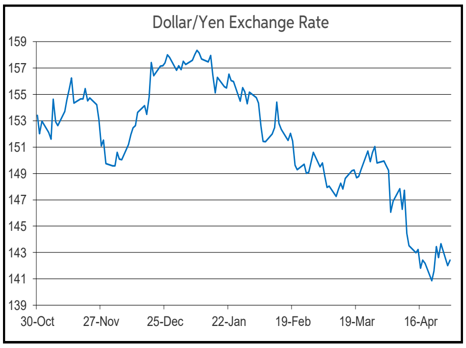
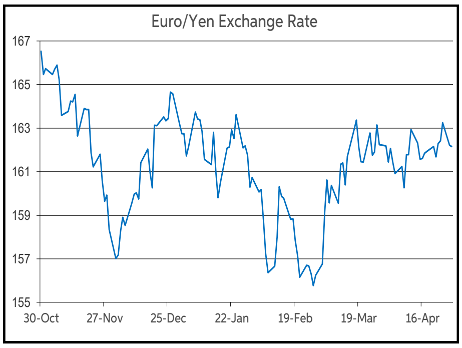
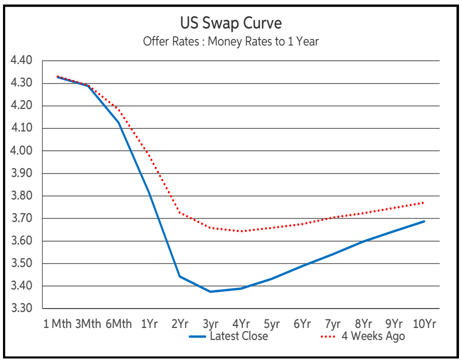
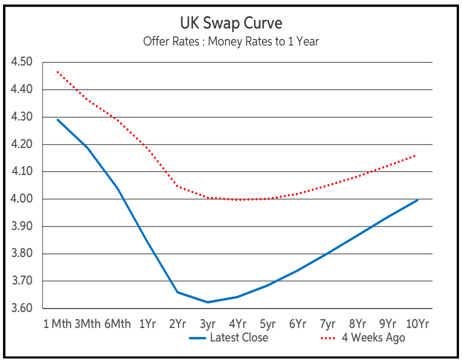
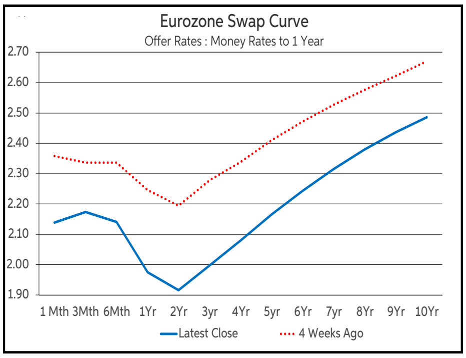
Euro		Sterling		Dollar	
EUR/GBP	0.849	GBP/EUR	1.1771	USD/JPY	142.41
EUR/USD	1.1387	GBP/USD	1.3405	USD/CAD	1.3868
EUR/JPY	162.15	GBP/CAD	1.8589	USD/CHF	0.8234
EUR/SEK	10.9575	GBP/NZD	2.2513	USD/CNY	7.2742
EUR/DKK	7.4642	GBP/JPY	190.9	USD/BRL	5.6537
EUR/NOK	11.8093	GBP/SEK	12.8985	USD/RUB	82.4
EUR/CHF	0.9376	GBP/DKK	8.7835	USD/INR	85.225
EUR/AUD	1.7752	GBP/NOK	13.8885		
EUR/HKD	8.8337	GBP/CHF	1.1037	AUD/USD	0.6411
EUR/CAD	1.579	GBP/AUD	2.0898	NZD/USD	0.5951

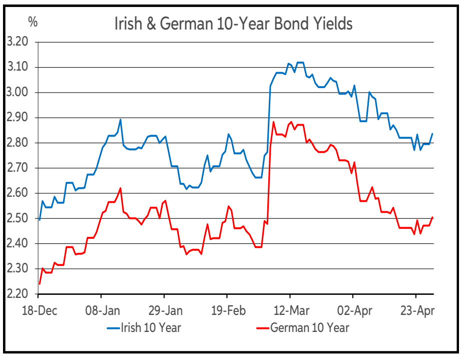












Debt Markets

	Close	Change bps Day	4 Weeks	End 24
10 Year Yield %				
US	4.22	-5	-3	-36
Germany	2.51	+3	-22	+14
UK	4.51	+2	-17	-7
Ireland	2.87	+4	-16	+22
Belgium	3.09	+2	-20	+10
France	3.23	+4	-22	+4
Italy	3.63	+5	-23	+11
Spain	3.18	+5	-19	+11
Portugal	3.05	+3	-21	+20
Greece	3.38	+3	-20	+13
5 Year Swap %				
US	3.68	-7	-21	-61
Eurozone	2.15	+1	-26	-9
UK	3.93	+1	-31	-36
2 Year Swap %				
US	3.71	-5	-26	-62
Eurozone	1.91	+0	-28	-28
UK	3.89	-1	-37	-60
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	+1	+7	+8
Belgium	58	-1	+2	-4
France	72	+1	+1	-11
Italy	113	+2	-1	-3
Spain	67	+1	+3	-3
Portugal	54	-0	+1	+6
Greece	87	-0	+2	-2

Commodities

	Close	% Change Day	4 Weeks	End 24
Brent Oil	65.86	-1.51	-11.88	-11.76
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	3341.4	+0.70	+6.99	+27.35

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