

## Dollar weaker post-US inflation update

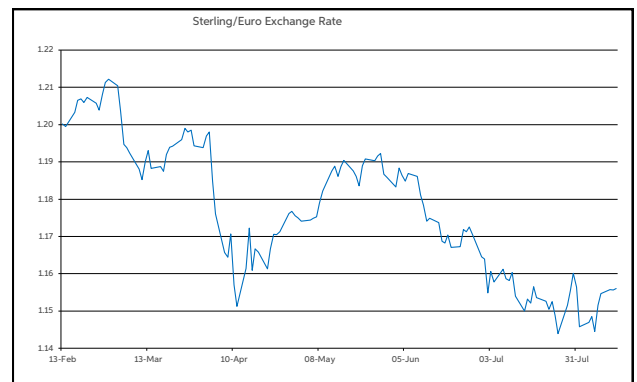
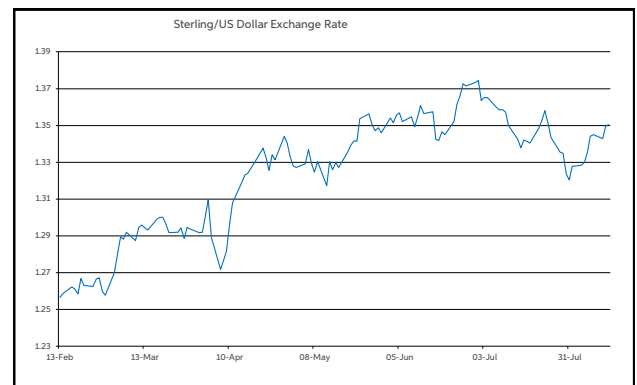
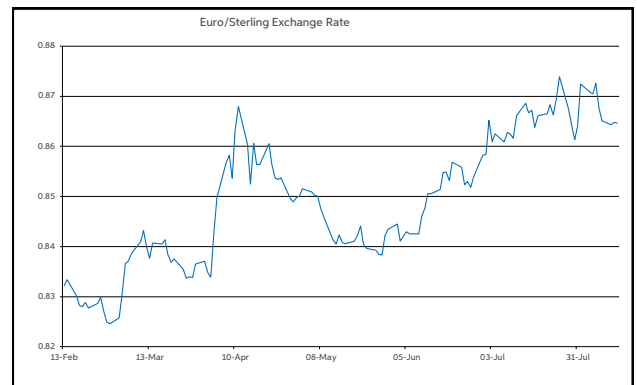
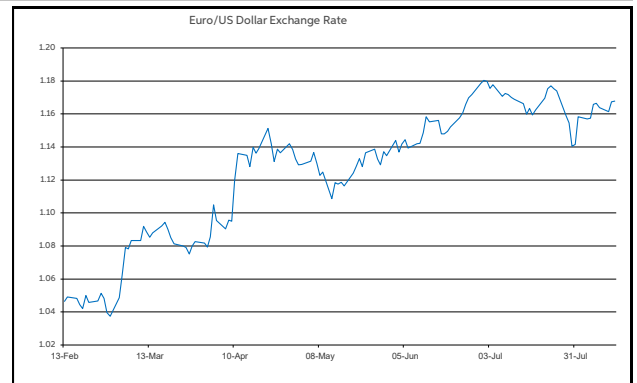
The main focus for markets yesterday was the release of US CPI inflation data for July. This publication was under the market gaze due to it forming a key input into the Fed's policy deliberations on whether to cut rates at its next FOMC meeting in September (16th/17th). The headline number printed slightly below expectations, remaining at 2.7%, compared to a forecast for a modest rise to 2.8%. Meanwhile, the core CPI inflation measure registered a marginally higher than anticipated reading of 3.1% (vs. f'cast for 3.0%). A key area of interest in the data was regarding any signs of tariff related upward pressure on prices. The 'core goods' metric indicated there was no noticeable tariff impact.

From a currency perspective, the dollar weakened in the aftermath of the inflation data. This suggests the market had been anticipating more signs of tariff related pressures within the CPI numbers. Futures contracts also softened, with the market now assigning a 98% probability to a September rate cut (was 93% before the data). The dollar was also hampered by comments from President Trump regarding Fed Chair Powell. Elsewhere on the currency front, yesterday's early morning release of a raft of UK labour market updates for the June/July period did not generate any noteworthy reaction from sterling.

In level terms, the weaker dollar tone over the past 24 hours is evident in EUR/USD opening this morning in the upper half of \$1.16-1.17, GBP/USD up at \$1.35 and USD/JPY below ¥148. Meanwhile, EUR/GBP continues to operate in a tight range near the midpoint of 86-87p.

After yesterday's plethora of data, today's macro diary is very sparse, with no releases of any note due on either side of the Atlantic. Therefore, this could see the main FX pairs operate within relatively narrow ranges over the course of today.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1678	0.44	12.80
EUR/GBP	0.8646	-0.05	4.51
GBP/USD	1.3505	0.51	7.95
GBP/EUR	1.1563	0.05	-4.31
USD/JPY	147.91	-0.30	-5.90
EUR/JPY	172.76	0.16	6.15

\* 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	4.35	4.20	3.80	3.78	3.74
EUR	2.00	1.90	2.03	2.08	2.10	2.37
GBP	4.00	3.96	3.96	3.79	3.91	3.99

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

Wednesday 13 August 2025  
06:57 am



## Euro

EUR/GBP	0.8646
EUR/USD	1.1678
EUR/JPY	172.76
EUR/SEK	11.1469
EUR/DKK	7.4625
EUR/NOK	11.9222
EUR/CHF	0.9417
EUR/AUD	1.7877
EUR/HKD	9.1673
EUR/CAD	1.6088

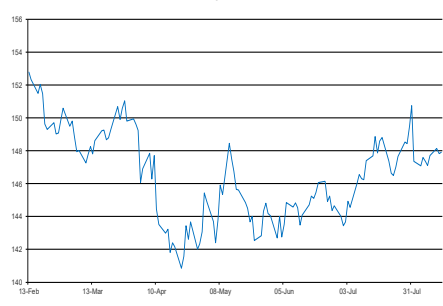
## Sterling

GBP/EUR	1.1563
GBP/USD	1.3505
GBP/CAD	1.8604
GBP/NZD	2.2664
GBP/JPY	199.75
GBP/SEK	12.8924
GBP/DKK	8.6276
GBP/NOK	13.7876
GBP/CHF	1.0894
GBP/AUD	2.0673

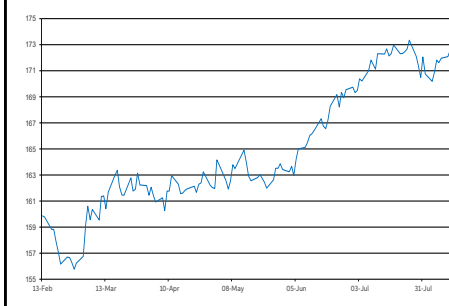
## Dollar

USD/JPY	147.91
USD/CAD	1.3778
USD/CHF	0.8066
USD/CNY	7.18
USD/BRL	5.402
USD/RUB	79.7
USD/INR	87.7
AUD/USD	0.653
NZD/USD	0.5955

Dollar/Yen Exchange Rate

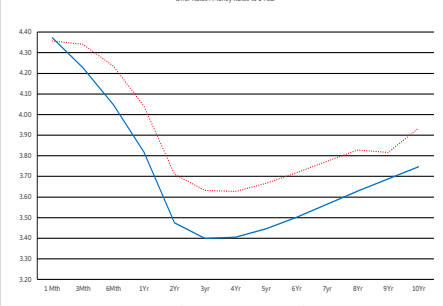


Euro/Yen Exchange Rate



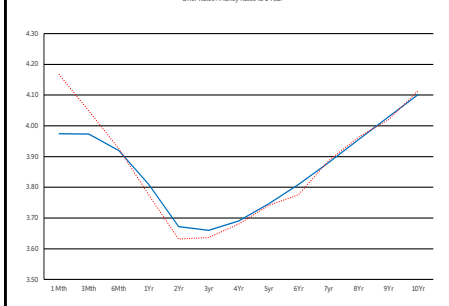
US Swap Curve

Offer Rates - Money Rates to 1 Year



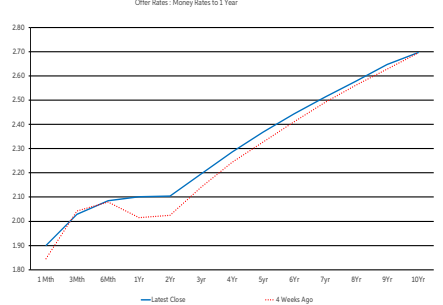
UK Swap Curve

Offer Rates - Money Rates to 1 Year

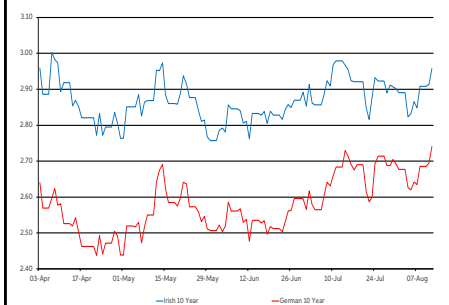


Eurozone Swap Curve

Offer Rates - Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 24
<b>10 Year Yield %</b>				
US	4.29	+2	-20	-28
Germany	2.74	+5	+3	+38
UK	4.63	+6	+1	+5
Ireland	3.00	+6	+0	+35
Belgium	3.25	+4	-1	+27
France	3.41	+5	+0	+21
Italy	3.56	+4	-5	+4
Spain	3.30	+4	-2	+24
Portugal	3.14	+4	-2	+29
Greece	3.41	+4	+2	+16
<b>5 Year Swap %</b>				
US	3.72	-1	-19	-57
Eurozone	2.36	+2	+4	+12
UK	3.99	+4	+1	-30
<b>2 Year Swap %</b>				
US	3.72	-6	-22	-61
Eurozone	2.09	+1	+7	-10
UK	3.91	+2	+5	-58
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	26	+1	-2	-3
Belgium	51	-0	-4	-11
France	67	+1	-3	-17
Italy	81	-0	-7	-34
Spain	56	-1	-5	-14
Portugal	39	-1	-5	-9
Greece	67	-1	-1	-22

## Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	66.12	-0.77	-3.77	-11.41
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3345.0	+0.03	+0.69	+27.49

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