

Dollar remains on the defensive

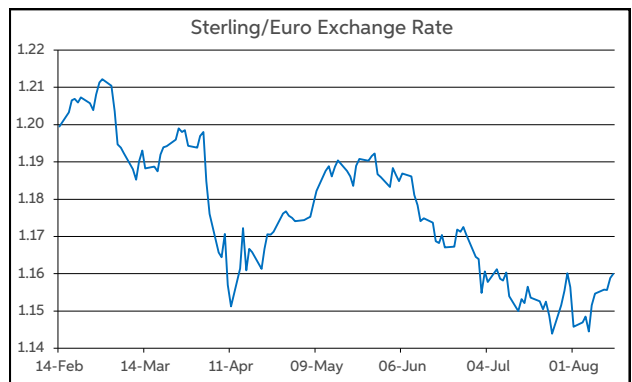
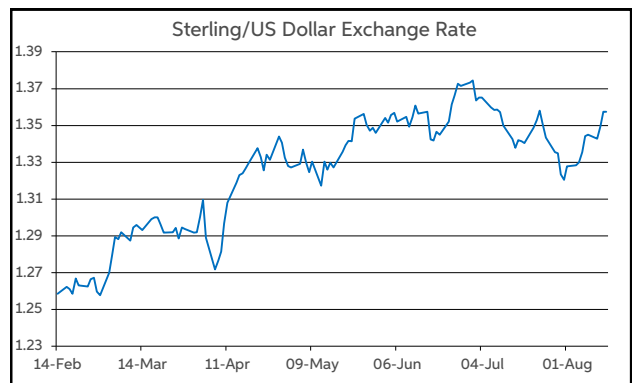
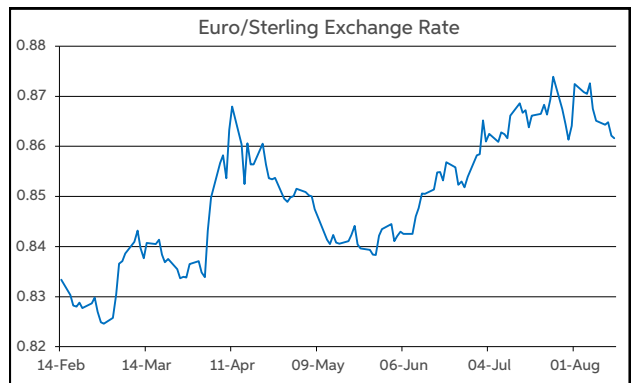
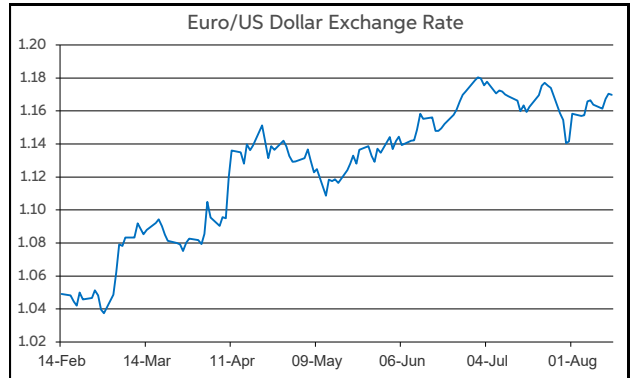
There was a generally positive tone to investor sentiment yesterday. This was against the backdrop of a dearth of macro releases on both sides of the Atlantic. The mood was more upbeat in Europe, reflected in the Euro Stoxx 50 gaining 1.0% on the day. On Wall Street, there was a more cautious vibe to proceedings. By the closing bell last night, the S&P 500 had posted a modest 0.3% increase.

On the currency front, the dollar remained on the defensive. The greenback was challenged by a further softening in US rate expectations yesterday. This included the market moving to fully price-in a 25bps rate cut at the next Fed meeting in September (16th/17th). This softening in rate expectations follows the July print of US CPI inflation on Tuesday, which showed no clear signs of tariff related impact on prices, as well as on-going pressure from the White House on the Fed to cut rates. Overall, the continuation of the softer dollar tone over the past 24 hours is evident in EUR/USD opening this morning up at the \$1.17 threshold and GBP/USD in the top half of \$1.35-1.36. The combination of a weaker dollar/firmer yen sees USD/JPY trading below ¥147.

After yesterday's sparse data diary, today's macro schedule is more eventful. Indeed already this morning we have had the 7am release of UK GDP for Q2. As expected, the data confirms that the economy lost momentum after some tariff related front loading boosted Q1 GDP. However, growth in Q2 was not as weak as anticipated, with GDP rising by 0.3% q/q (vs. f'cast for +0.1%). The better than expected Q2 GDP number has provided some support to sterling in early trading. EUR/GBP has edged down nearer to 86p.

Looking ahead to the remainder of today's macro calendar, from a Eurozone perspective, the highlights are Q2 employment and GDP (2nd reading). From a dollar viewpoint, the main data of note are PPI inflation (July) and weekly jobless claims numbers.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1699	0.13	13.00
EUR/GBP	0.8616	-0.39	4.15
GBP/USD	1.3575	0.53	8.50
GBP/EUR	1.1602	0.39	-3.98
USD/JPY	146.29	-1.11	-6.93
EUR/JPY	171.16	-0.97	5.17

* 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	4.17	3.75	3.72	3.69
EUR	2.00	1.87	2.03	2.06	2.07	2.32
GBP	4.00	3.97	3.97	3.80	3.91	3.97

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 14 August 2025
07:23 am



Euro

EUR/GBP	0.8616
EUR/USD	1.1699
EUR/JPY	171.16
EUR/SEK	11.1766
EUR/DKK	7.4631
EUR/NOK	11.9282
EUR/CHF	0.9424
EUR/AUD	1.7876
EUR/HKD	9.1819
EUR/CAD	1.6098

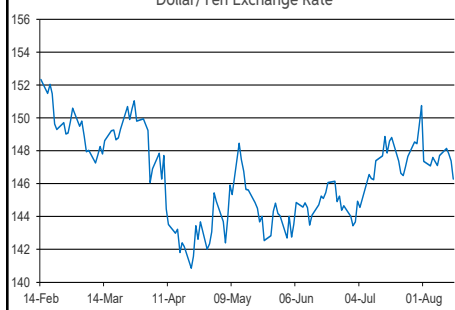
Sterling

GBP/EUR	1.1602
GBP/USD	1.3575
GBP/CAD	1.8679
GBP/NZD	2.2746
GBP/JPY	198.59
GBP/SEK	12.9692
GBP/DKK	8.6581
GBP/NOK	13.8428
GBP/CHF	1.0935
GBP/AUD	2.0739

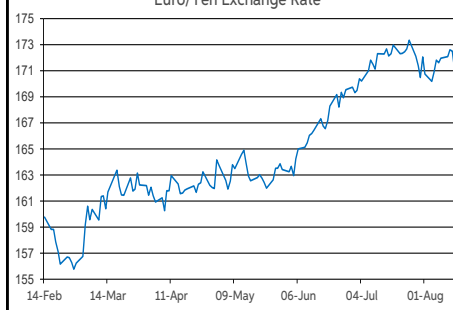
Dollar

USD/JPY	146.29
USD/CAD	1.376
USD/CHF	0.8056
USD/CNY	7.1712
USD/BRL	5.393
USD/RUB	79.15
USD/INR	87.4775
AUD/USD	0.6542
NZD/USD	0.5965

Dollar/Yen Exchange Rate

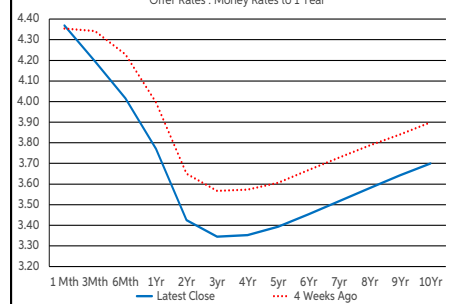


Euro/Yen Exchange Rate



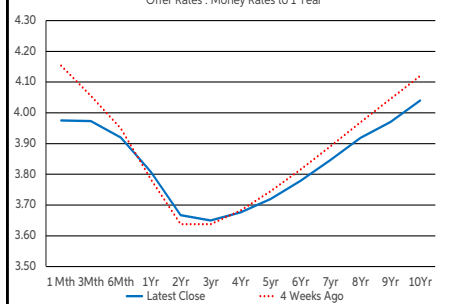
US Swap Curve

Offer Rates : Money Rates to 1 Year



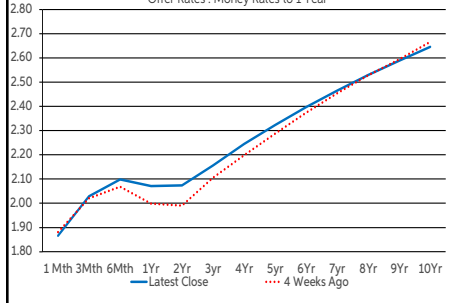
UK Swap Curve

Offer Rates : Money Rates to 1 Year

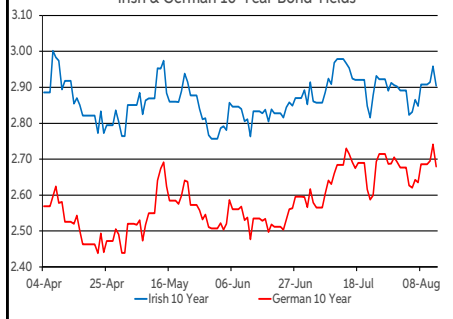


Eurozone Swap Curve

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	4.24	-5	-22	-34
Germany	2.68	-6	-1	+32
UK	4.59	-4	-5	+1
Ireland	2.92	-8	-5	+27
Belgium	3.18	-7	-6	+20
France	3.34	-7	-5	+14
Italy	3.48	-8	-10	-4
Spain	3.23	-7	-6	+17
Portugal	3.07	-6	-7	+22
Greece	3.34	-7	-6	+9
5 Year Swap %				
US	3.65	-6	-21	-64
Eurozone	2.31	-5	+2	+7
UK	3.96	-2	-2	-32
2 Year Swap %				
US	3.70	-3	-20	-63
Eurozone	2.07	-3	+8	-12
UK	3.90	-1	+2	-59
10 Year Government Bond Spreads to Benchmark bps				
Ireland	24	-2	-3	-5
Belgium	50	-1	-5	-12
France	66	-1	-4	-17
Italy	80	-2	-9	-36
Spain	55	-1	-5	-15
Portugal	39	+0	-6	-9
Greece	66	-1	-4	-23

Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	65.63	-0.74	-4.22	-12.07
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3354.4	+0.28	+0.24	+27.85

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