

EUR/USD starts the week just above \$1.03

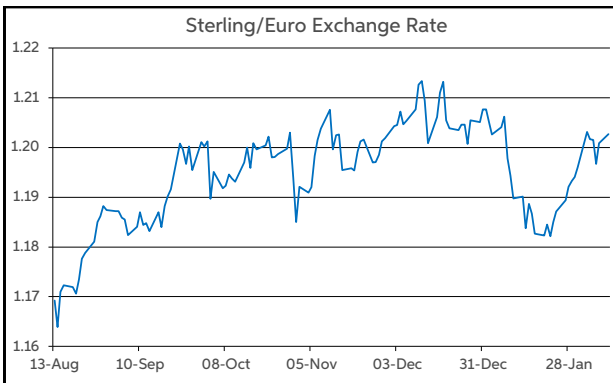
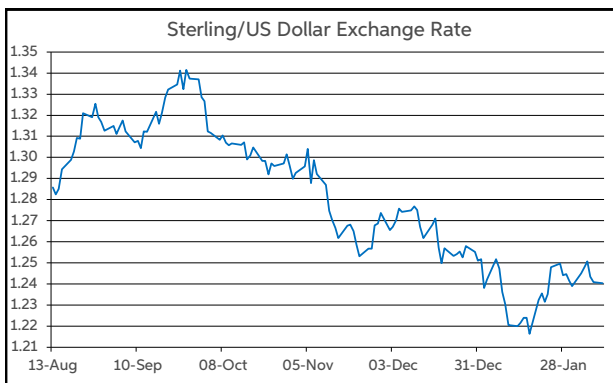
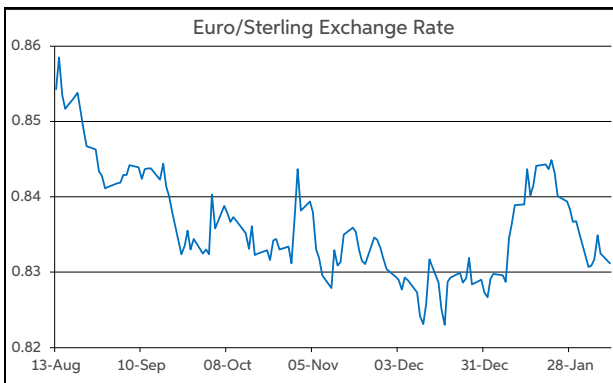
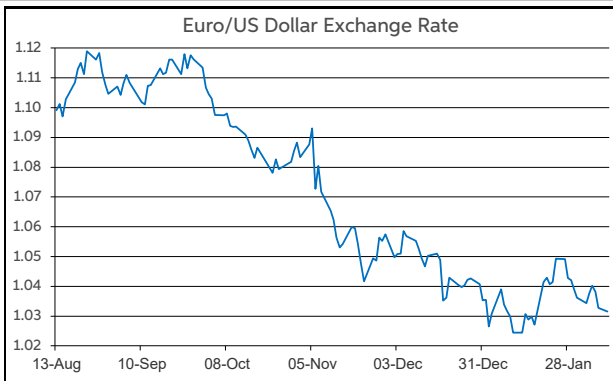
A plethora of significant macroeconomic developments influenced financial markets last week. Most notably, the US decision to place tariffs on China, Canada and Mexico, and the subsequent delay to implement the tariffs on the latter pair, jolted markets at the start of the week. Risk appetite soured sharply on the original tariff decision, but recovered after the announcement of the delay, and following a muted retaliatory response from China.

Elsewhere, the BoE cut rates by 25bps, in-line with expectations. However, there was a dovish tilt in the voting split, with two officials in favour of a 50bps cut (the other 7 all voted for 25bps). Although the MPC retains an easing bias, the overarching message is that the BoE will proceed carefully when setting policy, as the outlook is somewhat unclear given high levels of economic uncertainty. Meantime, the US labour market report for January was mixed, with payrolls printing below the consensus, while the unemployment rate fell and earnings growth accelerated.

Against this backdrop, there were significant gyrations on forex markets. EUR/USD traded in a wide \$1.014-1.044 range, while GBP/USD operated between \$1.225-1.255. At the same time, the action in EUR/GBP was contained between 82.4-83.8p. As trading gets underway this morning, EUR/USD is in the lower half of \$1.03-1.04, GBP/USD is just above \$1.24 and EUR/GBP is in the bottom half of the 83-84p corridor. USD/JPY is below ¥152.

This week, a busy US data calendar includes updates on inflation, retail sales and industrial production for January. Chair Powell's testimony to Congress will also garner attention. Meantime in the UK, the first reading of Q4 GDP will be the highlight. Markets will also be digesting the latest weekend US tariff announcements.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0315	-0.58	-0.37
EUR/GBP	0.8312	-0.44	0.47
GBP/USD	1.2404	-0.12	-0.86
GBP/EUR	1.2023	0.45	-0.47
USD/JPY	151.81	0.06	-3.42
EUR/JPY	156.61	-0.51	-3.77

* 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	4.31	4.31	4.24	4.42	4.34
EUR	2.90	2.65	2.53	2.30	2.19	2.21
GBP	4.50	4.45	4.43	4.16	4.30	4.18

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

Monday 10 February 2025
06:39 am



Euro

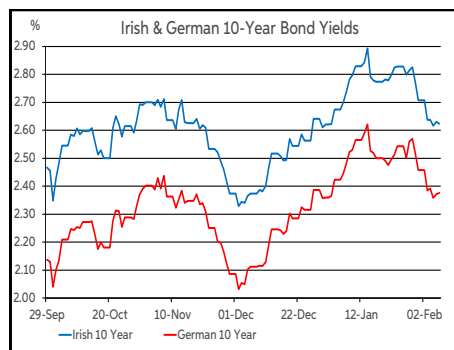
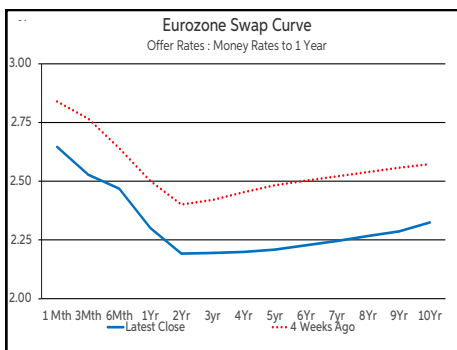
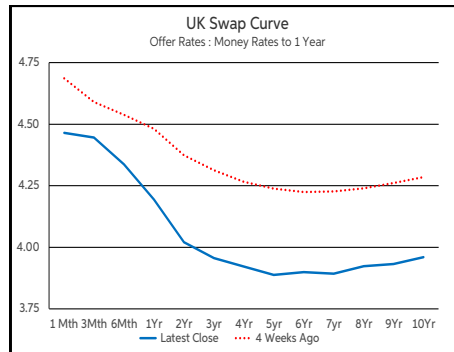
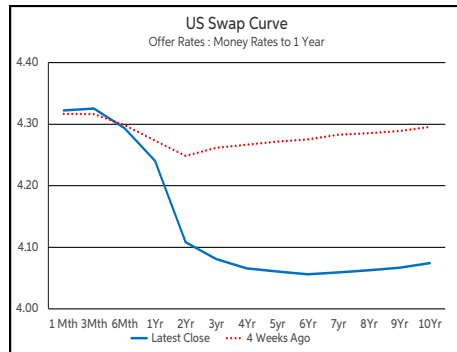
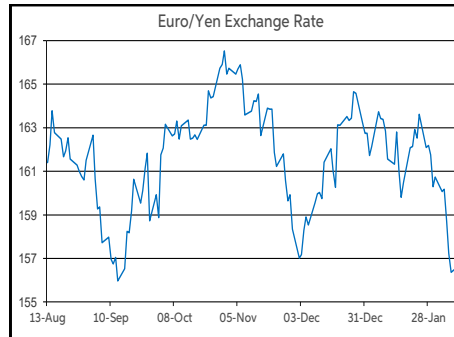
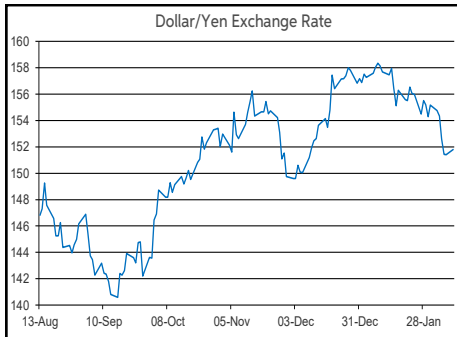
EUR/GBP	0.8312
EUR/USD	1.0315
EUR/JPY	156.61
EUR/SEK	11.3041
EUR/DKK	7.46
EUR/NOK	11.6036
EUR/CHF	0.9393
EUR/AUD	1.6437
EUR/HKD	8.0338
EUR/CAD	1.4793

Sterling

GBP/EUR	1.2023
GBP/USD	1.2404
GBP/CAD	1.7788
GBP/NZD	2.1906
GBP/JPY	188.28
GBP/SEK	13.5964
GBP/DKK	8.9699
GBP/NOK	13.9586
GBP/CHF	1.1298
GBP/AUD	1.9764

Dollar

USD/JPY	151.81
USD/CAD	1.434
USD/CHF	0.9106
USD/CNY	7.3065
USD/BRL	5.8086
USD/RUB	97.3
USD/INR	87.585
AUD/USD	0.6275
NZD/USD	0.566



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.49	+5	-29	-9
Germany	2.38	+0	-19	+1
UK	4.48	-1	-36	-10
5 Year Swap %				
US	4.31	+7	-20	+2
Eurozone	2.20	-2	-28	-4
UK	4.15	+1	-33	-13
2 Year Swap %				
US	4.38	+8	-10	+5
Eurozone	2.18	-2	-22	-1
UK	4.27	+3	-34	-22
10 Year Government Bond Spreads to Benchmark bps				
Ireland	28	-0	-0	-1
Belgium	58	+0	-3	-4
France	71	-0	-15	-12
Italy	109	+2	-11	-7
Spain	67	+1	-3	-4
Portugal	53	+2	+6	+4
Greece	89	+2	+6	+0

Commodities				
	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	74.66	+0.50	-6.39	+0.03
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2860.4	+0.14	+6.35	+9.02

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