

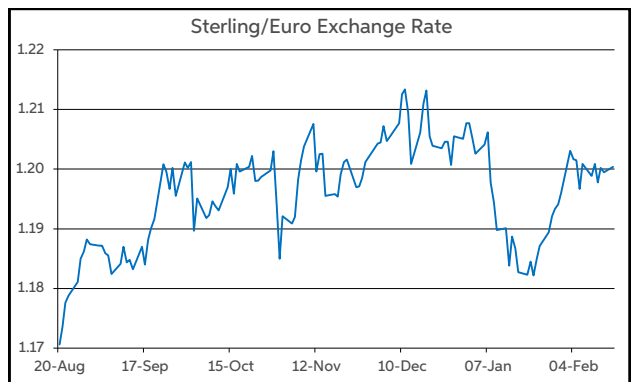
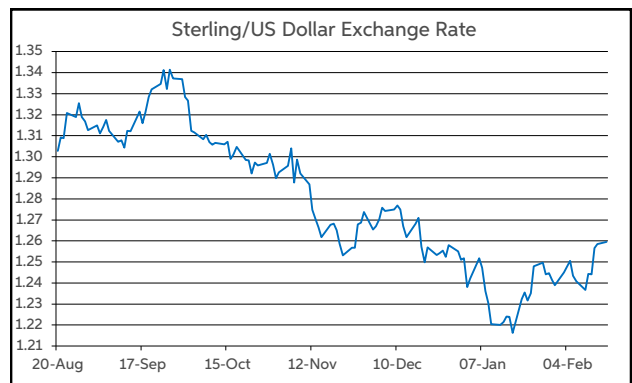
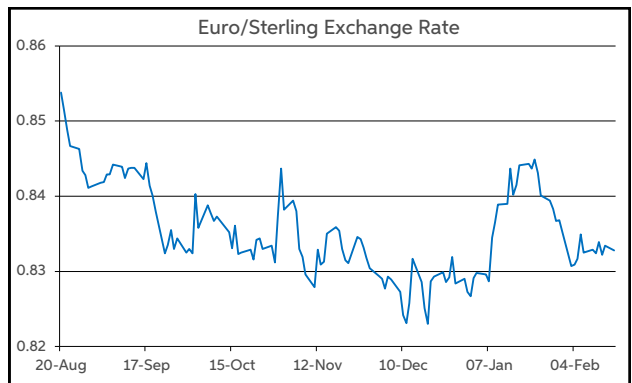
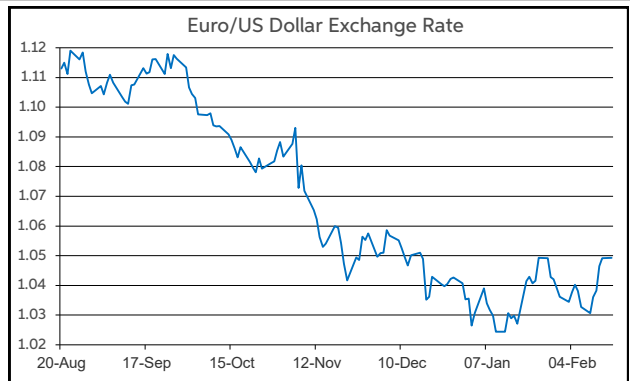
EUR/USD hovering in and around \$1.05

There was plenty for markets to digest last week across a whole array of topics. This included geopolitical news, trade/tariff announcements, inflation data and central bank speakers. From an investor sentiment viewpoint, the mood was positive over the course of the week. This was evident in healthy gains for the main equity indices on both sides of the Atlantic. In Europe, the Euro Stoxx 50 gained over 3% on the week. Meanwhile, by the closing bell on Wall Street on Friday night, the S&P 500 index was 1.5% higher from where it had started on Monday.

Currency-wise, a key feature of the trading amongst the majors was the weaker tone to the dollar. The softer tone has been evident at different stages over recent weeks, however, it became more noticeable last week. The greenback was down by between 1.5-2.0% on the exchanges. This coincided with the 'risk-on' environment (reduced demand for dollar's safe haven status). At the same time, interest rate differentials also acted as a headwind for the dollar. There was a softening in US Fed rate expectations for this year by around 10bps. This may have in part reflected the market assessing that there is no further imminent changes to US tariff policy. In contrast, Eurozone and UK rate expectations firmed in the region of 7-10bps.

In level terms, all of the above forex action was displayed in EUR/USD testing above the \$1.05 threshold last week and it opens this morning just below this mark. GBP/USD registered a new YTD high of \$1.263. In contrast, EUR/GBP was confined to a narrow 83.1-83.6p range. Ahead this week, the macro highlights include flash PMIs, UK labour market updates and Fed minutes. Investors will also be closely watching for any further trade/tariff news.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0493	0.39	1.35
EUR/GBP	0.8328	0.05	0.66
GBP/USD	1.2596	0.33	0.68
GBP/EUR	1.2003	-0.05	-0.66
USD/JPY	151.64	-0.62	-3.52
EUR/JPY	159.13	-0.24	-2.22

* 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	4.32	4.22	4.40	4.34
EUR	2.90	2.60	2.52	2.37	2.28	2.35
GBP	4.50	4.45	4.43	4.17	4.32	4.23

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

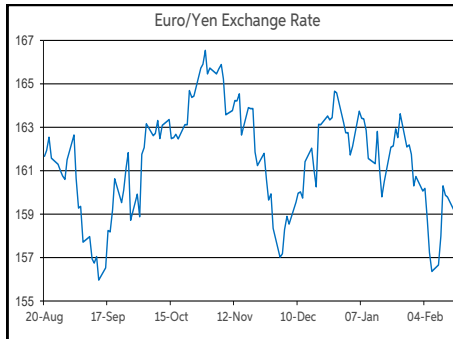
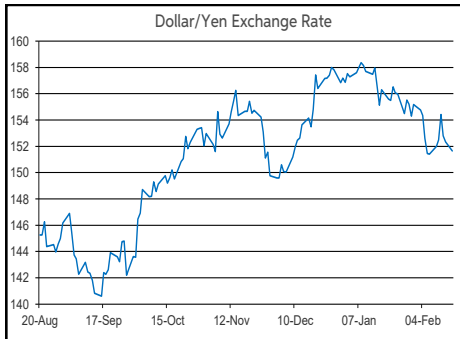
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
---------	----------------------------	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

Opening Levels

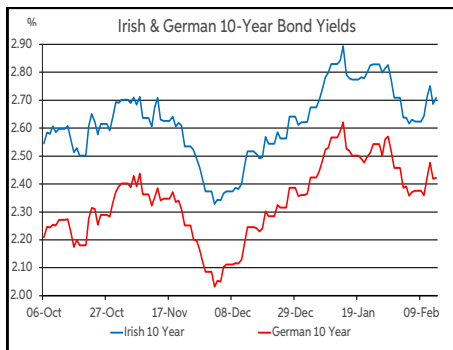
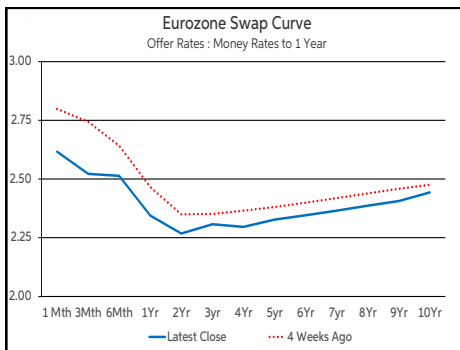
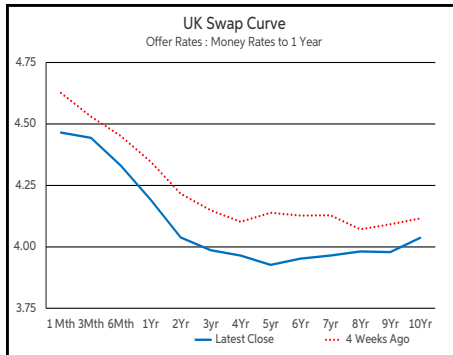
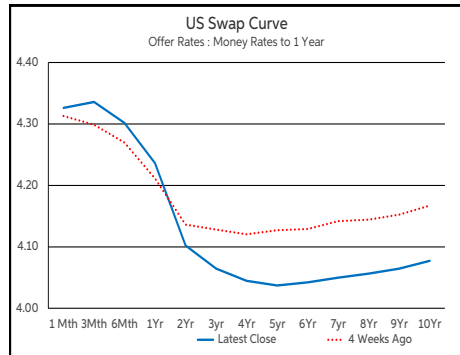
Monday 17 February 2025
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.8328	GBP/EUR	1.2003	USD/JPY	151.64
EUR/USD	1.0493	GBP/USD	1.2596	USD/CAD	1.4172
EUR/JPY	159.13	GBP/CAD	1.7849	USD/CHF	0.9
EUR/SEK	11.2286	GBP/NZD	2.1942	USD/CNY	7.2477
EUR/DKK	7.4594	GBP/JPY	191.01	USD/BRL	5.7042
EUR/NOK	11.6581	GBP/SEK	13.4787	USD/RUB	91.35
EUR/CHF	0.9445	GBP/DKK	8.9525	USD/INR	86.811
EUR/AUD	1.6472	GBP/NOK	13.9919	AUD/USD	0.6368
EUR/HKD	8.1637	GBP/CHF	1.1337	NZD/USD	0.5737
EUR/CAD	1.4872	GBP/AUD	1.9772		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.48	-5	-14	-10
Germany	2.42	+0	-8	+6
UK	4.50	+1	-16	-7
5 Year Swap %				
US	4.29	-8	-8	+0
Eurozone	2.31	+4	-7	+7
UK	4.18	-0	-15	-11
2 Year Swap %				
US	4.36	-5	-3	+3
Eurozone	2.27	+4	-8	+8
UK	4.28	+1	-17	-21
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	+1	+0	+1
Belgium	57	+0	-2	-5
France	70	+1	-11	-13
Italy	110	+1	-5	-6
Spain	68	+2	+1	-2
Portugal	53	+1	+7	+4
Greece	89	+2	+9	+1



Commodities				
	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	74.74	-0.37	-7.49	+0.13
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2883.2	-1.57	+6.72	+9.89

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.