

## Mixed mood on markets

There was a mixed mood to investor sentiment on markets yesterday. This was reflected on equity markets by the Euro Stoxx 50 declining by 0.4%, while on Wall Street, the S&P 500 gained 0.5%, registering a new all-time high in the process.

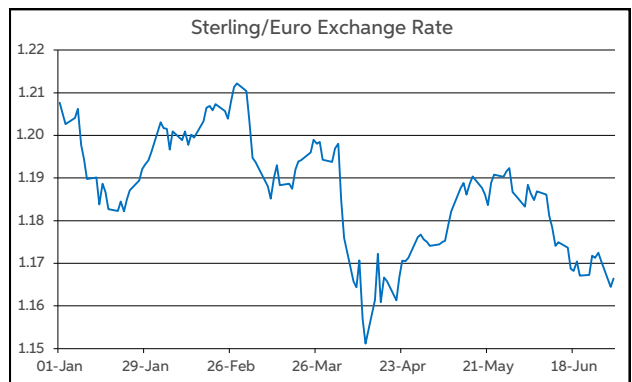
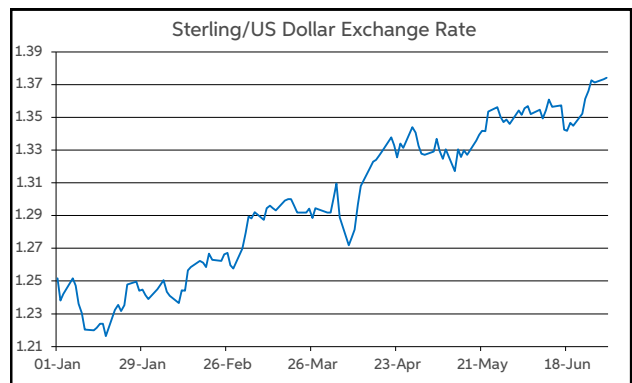
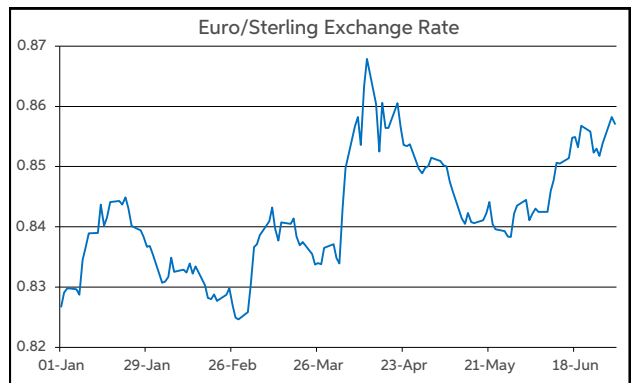
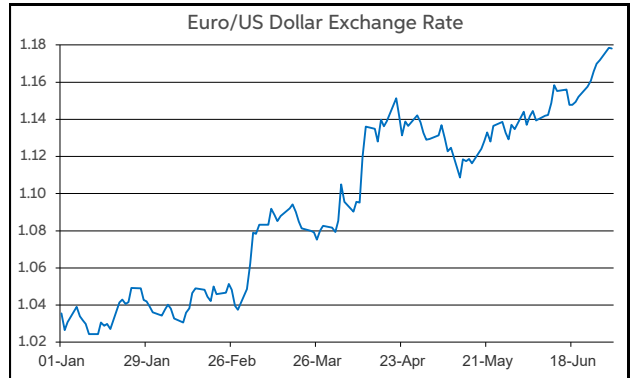
Meantime, US Treasury yields fell by circa 6bps yesterday, although German Bund and UK Gilt yields were little changed. The fall in US yields coincided with a further slight softening in US interest rate futures, as President Trump and Treasury Secretary Bessent both suggested the Fed should have lowered rates more quickly.

Data-wise, the main highlights were the flash readings of German and Italian inflation for June. Both metrics printed below expectations, at 2.0% and 1.7%, respectively. Elsewhere, the latest Eurozone monetary statistics continued to indicate that credit demand across the bloc remains muted. However, the data had no material drag on the euro.

Indeed, the euro was holding a firmer tone over the past 24 hours, while at the same time the dollar has remained under pressure. Overall, the single currency gained between 0.2-0.5% against the dollar, yen and sterling. This saw EUR/USD record a new year-to-date high of \$1.179 overnight. The pair opens today in the top half of \$1.17-1.18. EUR/GBP is above the midpoint of 85-86p. GBP/USD is nearer to the halfway mark of \$1.37-1.38. Elsewhere, USD/JPY is below ¥144.

Turning to the day ahead, Eurozone flash HICP inflation for June is due. The consensus is for the headline rate to inch higher to 2.0% and for the core rate to remain at 2.4%. Meanwhile the panel discussion between the heads of the ECB, Fed, BoE, BoJ and BoK at the ECB Forum on Central Banking will warrant attention. Trade negotiations with the US and the debate in the US Senate regarding the One Big Beautiful Bill Act will also be in focus.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1782	0.46	13.80
EUR/GBP	0.8571	0.35	3.60
GBP/USD	1.3741	0.12	9.83
GBP/EUR	1.1662	-0.35	-3.48
USD/JPY	143.61	-0.22	-8.63
EUR/JPY	169.23	0.23	3.98

\* 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	4.32	4.29	3.85	3.77	3.70
EUR	2.00	1.92	1.94	2.00	2.01	2.28
GBP	4.25	4.21	4.09	3.77	3.85	3.90

All rates quoted are indicative market rates

See Next Page For More Rates &

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

Tuesday 01 July 2025  
06:50 am



## Euro

EUR/GBP	0.8571
EUR/USD	1.1782
EUR/JPY	169.23
EUR/SEK	11.1452
EUR/DKK	7.4604
EUR/NOK	11.8719
EUR/CHF	0.9334
EUR/AUD	1.7908
EUR/HKD	9.249
EUR/CAD	1.6032

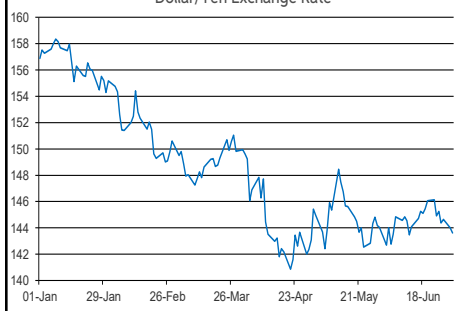
## Sterling

GBP/EUR	1.1662
GBP/USD	1.3741
GBP/CAD	1.8696
GBP/NZD	2.2523
GBP/JPY	197.33
GBP/SEK	12.9996
GBP/DKK	8.7002
GBP/NOK	13.849
GBP/CHF	1.0887
GBP/AUD	2.0882

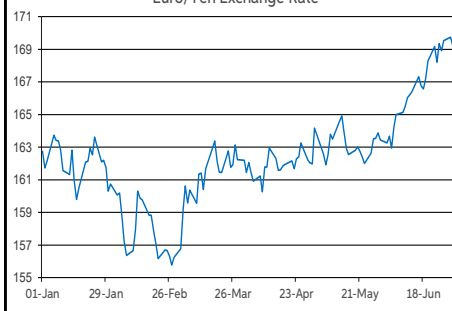
## Dollar

USD/JPY	143.61
USD/CAD	1.3606
USD/CHF	0.7921
USD/CNY	7.1633
USD/BRL	5.4312
USD/RUB	78.3
USD/INR	85.5775
AUD/USD	0.6578
NZD/USD	0.6098

Dollar/Yen Exchange Rate

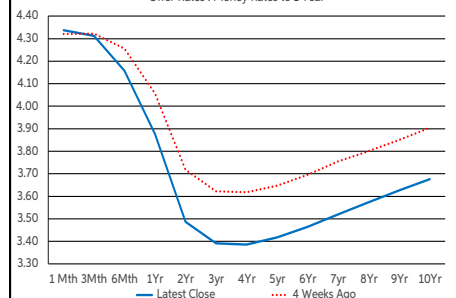


Euro/Yen Exchange Rate



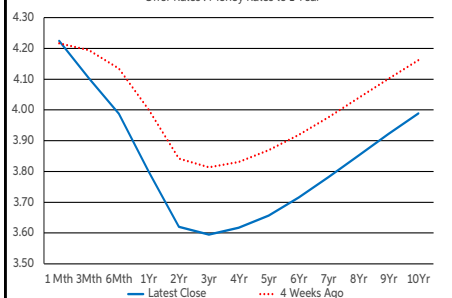
US Swap Curve

Offer Rates : Money Rates to 1 Year



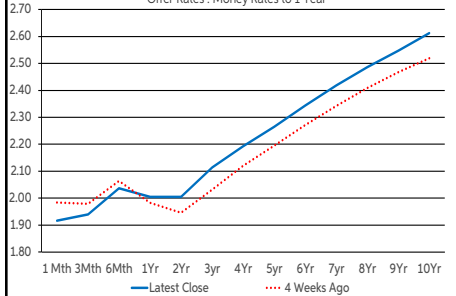
UK Swap Curve

Offer Rates : Money Rates to 1 Year

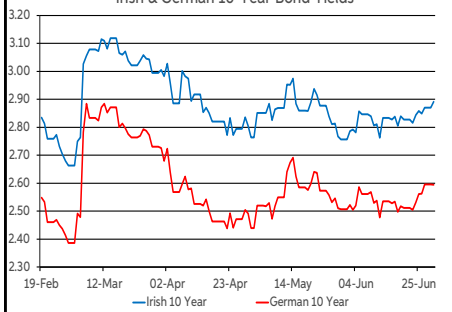


Eurozone Swap Curve

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	4.23	-6	-24	-35
Germany	2.60	-0	+7	+23
UK	4.49	-2	-19	-9
Ireland	2.93	+2	+11	+28
Belgium	3.16	+2	+10	+18
France	3.29	+3	+10	+9
Italy	3.51	+1	-1	-1
Spain	3.25	+2	+13	+18
Portugal	3.05	-0	+5	+20
Greece	3.30	-2	+1	+5
<b>5 Year Swap %</b>				
US	3.67	-4	-23	-62
Eurozone	2.26	+2	+7	+2
UK	3.89	-2	-21	-39
<b>2 Year Swap %</b>				
US	3.73	-4	-25	-60
Eurozone	2.00	+2	+6	-19
UK	3.84	-2	-23	-64
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	34	+2	+3	+5
Belgium	57	+2	+3	-5
France	69	+3	+2	-14
Italy	91	+1	-9	-25
Spain	65	+2	+6	-5
Portugal	45	-0	-2	-3
Greece	70	-2	-7	-18

## Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	67.61	-0.24	+4.61	-9.42
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3303.3	+0.93	-2.24	+25.90

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