

## Dollar boosted by the US labour market report

Equity markets continued to move higher on both sides of the Atlantic yesterday. The Euro Stoxx 50 gained 0.5%, while on Wall Street, the S&P 500 rose by 0.8%. In terms of fixed income, both German Bund and UK Gilt yields declined by around 5-8bps. In contrast though, US Treasury yields rose by 5-10bps along the curve, amid a firming in US futures contracts. The "One Big Beautiful Bill Act" passed by the US House of Representatives overnight may also have contributed to the rise in Treasury yields.

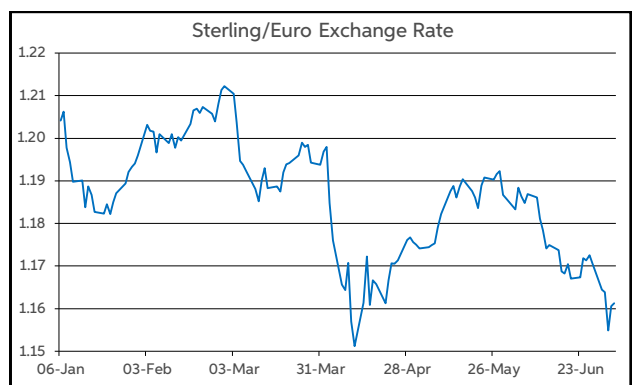
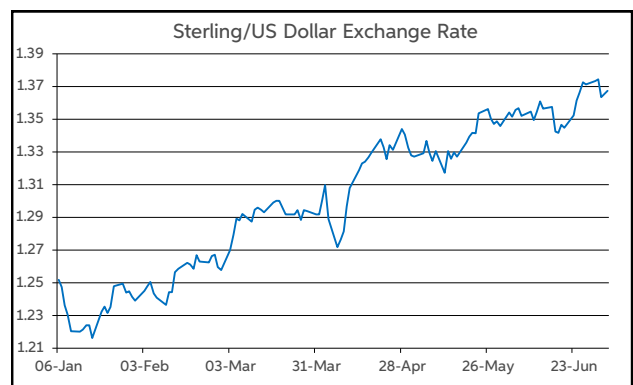
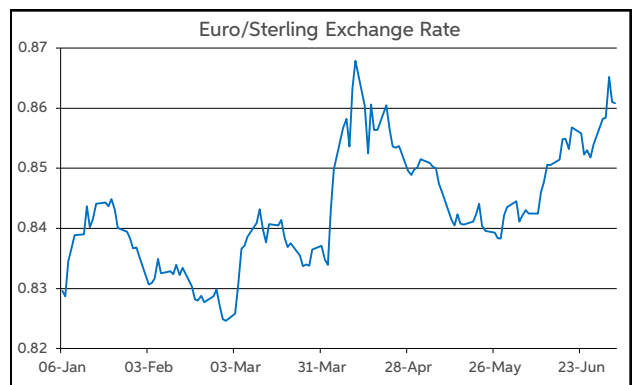
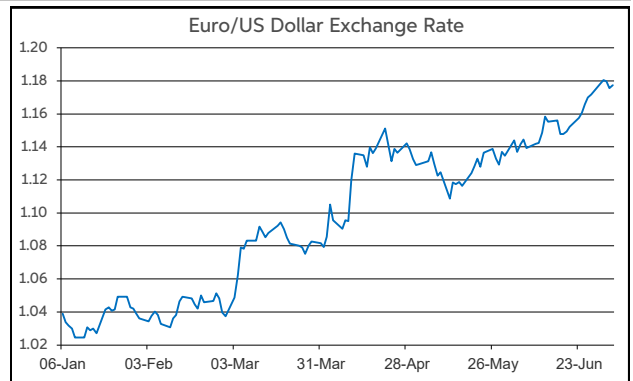
Data-wise, the US labour market report for June was stronger than anticipated. Non-farm payrolls rose by 147k in the month (vs. 110k f'cast), while the May figure was also revised higher to 144k from 139k. At the same time, the unemployment rate dropped back to the low of its recent range, to 4.1% (vs. 4.3% f'cast). Meanwhile, average earnings growth slowed slightly to 3.7% (vs. 3.9% f'cast). Following the release, US futures contracts firmed somewhat. Market pricing now indicates there is an 80% chance that the Fed will cut rates in September, and in total, just 55bps of easing is expected this year, compared to circa 65bps previously.

Amid the firming in US rate expectations, the dollar was in the ascendancy on currency markets. However, the greenback was unable to maintain all of its gains overnight. At the same time, sterling recouped some of its losses from the day prior.

In level terms, this is reflected by EUR/GBP opening today down near the 86p mark. GBP/USD is operating up in the top half of the \$1.36-1.37 corridor. Meanwhile, EUR/USD remains in the upper region of \$1.17-1.18. USD/JPY is in the bottom half of ¥144-145.

Turning to the day ahead, the macro calendar is relatively sparse. The main release of note will be Eurozone producer price inflation for May. US markets are closed for Independence Day.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1774	-0.13	13.73
EUR/GBP	0.8608	-0.49	4.05
GBP/USD	1.3673	0.33	9.29
GBP/EUR	1.1611	0.49	-3.89
USD/JPY	144.26	0.29	-8.22
EUR/JPY	169.87	0.18	4.37

\* 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	4.33	4.32	3.95	3.92	3.84
EUR	2.00	1.89	1.96	1.96	1.97	2.23
GBP	4.25	4.21	4.06	3.77	3.85	3.92

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

Friday 04 July 2025  
07:40 am



## Euro

EUR/GBP	0.8608
EUR/USD	1.1774
EUR/JPY	169.87
EUR/SEK	11.2557
EUR/DKK	7.4604
EUR/NOK	11.8488
EUR/CHF	0.9337
EUR/AUD	1.7918
EUR/HKD	9.2432
EUR/CAD	1.5978

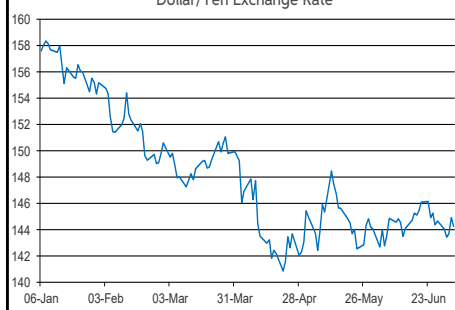
## Sterling

GBP/EUR	1.1611
GBP/USD	1.3673
GBP/CAD	1.8555
GBP/NZD	2.2494
GBP/JPY	197.25
GBP/SEK	13.0722
GBP/DKK	8.6624
GBP/NOK	13.752
GBP/CHF	1.0842
GBP/AUD	2.0804

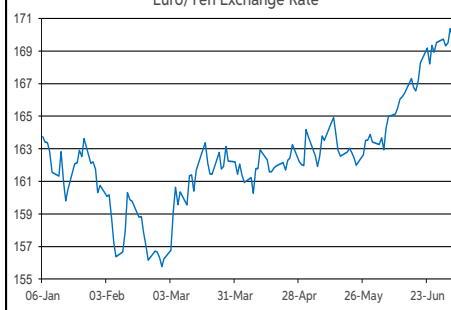
## Dollar

USD/JPY	144.26
USD/CAD	1.3569
USD/CHF	0.793
USD/CNY	7.1636
USD/BRL	5.4088
USD/RUB	78.8
USD/INR	85.386
AUD/USD	0.657
NZD/USD	0.6076

Dollar/Yen Exchange Rate

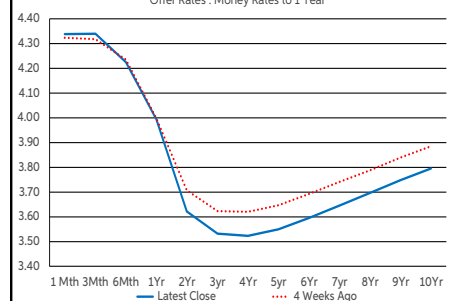


Euro/Yen Exchange Rate



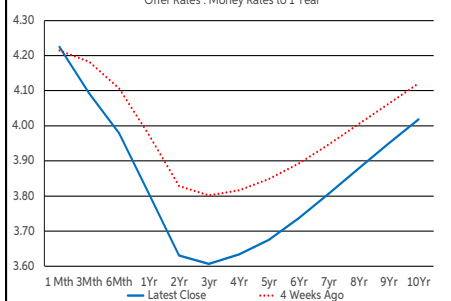
US Swap Curve

Offer Rates : Money Rates to 1 Year



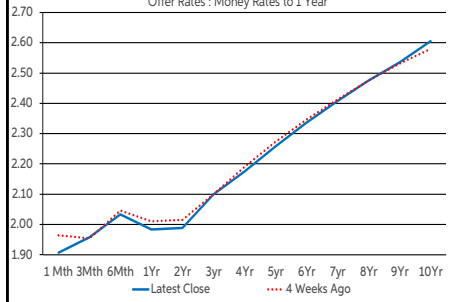
UK Swap Curve

Offer Rates : Money Rates to 1 Year

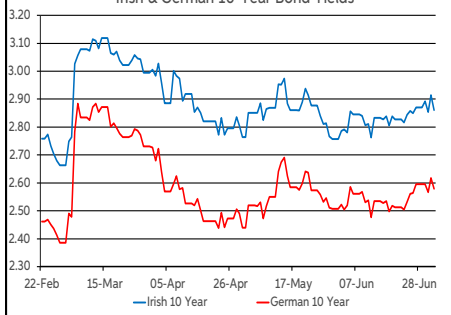


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.34	+5	-5	-24
Germany	2.58	-4	-1	+22
UK	4.54	-7	-8	-3
Ireland	2.90	-5	+0	+25
Belgium	3.16	-4	+3	+18
France	3.28	-4	+1	+8
Italy	3.48	-6	-7	-4
Spain	3.23	-4	+6	+16
Portugal	3.05	-5	-1	+20
Greece	3.34	-4	+2	+9
5 Year Swap %				
US	3.80	+6	-9	-49
Eurozone	2.25	-3	-2	+2
UK	3.92	-4	-16	-36
2 Year Swap %				
US	3.88	+10	-6	-45
Eurozone	1.99	-1	-2	-21
UK	3.86	-3	-17	-63
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	-1	+1	+4
Belgium	58	+0	+4	-4
France	70	-0	+2	-14
Italy	90	-2	-7	-26
Spain	65	-1	+6	-5
Portugal	47	-1	-0	-1
Greece	76	-0	+3	-13

## Commodities

	Close	Day	4 Weeks	End 24
% Change				
Brent Oil	68.8	-0.45	+5.30	-7.82
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3326.3	-0.92	-0.80	+26.77

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