

Sterling starts the week under pressure

There was a very quiet start to the week on financial markets yesterday. An absence of any top tier data releases on either side of the Atlantic likely contributed to the muted price action. Against that backdrop, the Euro Stoxx 50 edged 0.2% lower, as investors digested the escalation in US-EU trade tensions, following US threats of 30% tariffs on EU goods and the potential for retaliatory action from the EU. Meantime, the S&P 500 was up by a very marginal 0.1%.

On bond markets, US Treasury yields were little changed. In contrast, UK gilt yields declined by 1-5bps, led lower by the front-end of the curve. The move coincided with a slight softening in UK rate expectations, amid some dovish remarks from Governor Bailey in an interview released at the weekend. Markets are now pricing in close to 60bps of policy easing in the UK between now and year end.

Currency-wise, the main FX pairs have operated in very tight ranges over the past 24 hours. Of the limited moves to note, the softening in UK rate expectations has contributed to a modest depreciation of sterling. Overall, the pound is down by around 0.3-0.4% against the euro and the dollar compared to yesterday's open.

In level terms this sees EUR/GBP start today just below the 87p handle. GBP/USD is down in the lower half of the \$1.34-1.35 trading band. Elsewhere, EUR/USD remains in the upper region of \$1.16-1.17, having changed hands in a very narrow \$1.1654-1.1697 corridor throughout yesterday.

Today, the main highlight will be US CPI inflation for June. The consensus is for both the headline and the core rate to rise to 2.7% and 3.0%, respectively. Investors will be paying close attention for any tariff related impacts in the data. Meanwhile, remarks from BoE Governor Bailey and UK Chancellor Reeves will garner attention.

Daniel Noonan, Economist, AIB

Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.1683	0.08	12.85
EUR/GBP	0.8694	0.38	5.09
GBP/USD	1.3433	-0.31	7.37
GBP/EUR	1.1497	-0.38	-4.84
USD/JPY	147.56	0.13	-6.12
EUR/JPY	172.39	0.20	5.92

* v Previous Day's European Open

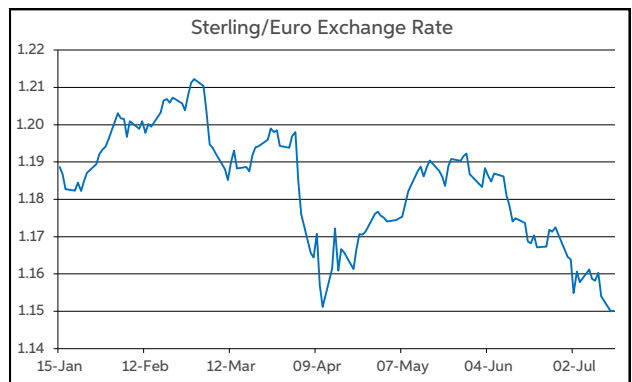
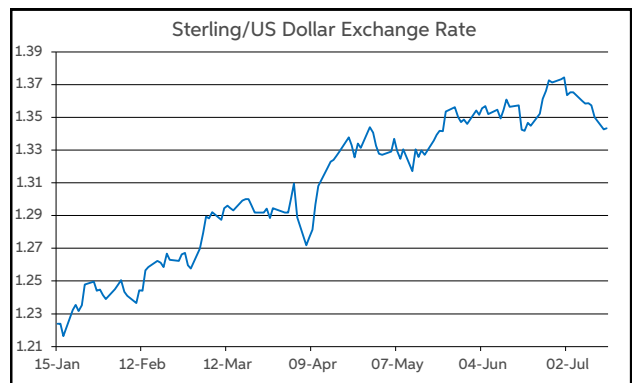
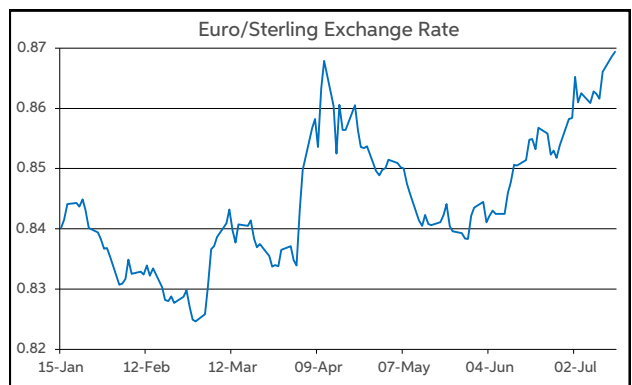
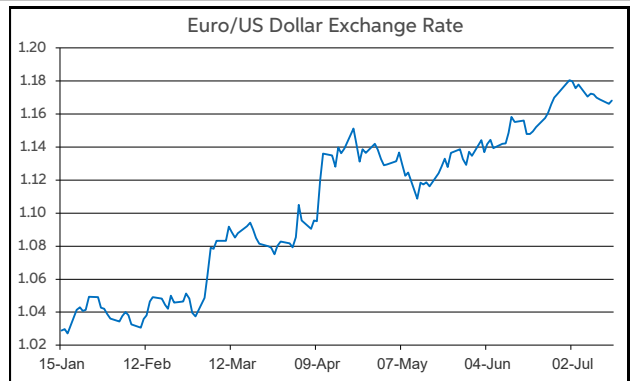
See Next Page for More Rates

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	3.98	3.94	3.89
EUR	2.00	1.91	2.03	2.02	2.04	2.34
GBP	4.25	4.15	4.03	3.73	3.85	3.95

All rates quoted are indicative market rates

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Opening Levels

Tuesday 15 July 2025
06:54 am



Euro

EUR/GBP	0.8694
EUR/USD	1.1683
EUR/JPY	172.39
EUR/SEK	11.2242
EUR/DKK	7.4634
EUR/NOK	11.8337
EUR/CHF	0.9306
EUR/AUD	1.7831
EUR/HKD	9.1708
EUR/CAD	1.5997

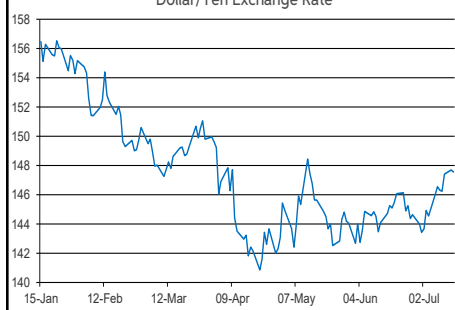
Sterling

GBP/EUR	1.1497
GBP/USD	1.3433
GBP/CAD	1.8394
GBP/NZD	2.2452
GBP/JPY	198.22
GBP/SEK	12.9077
GBP/DKK	8.5806
GBP/NOK	13.6103
GBP/CHF	1.0699
GBP/AUD	2.0505

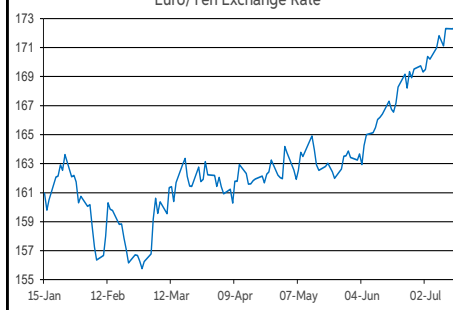
Dollar

USD/JPY	147.56
USD/CAD	1.3693
USD/CHF	0.7964
USD/CNY	7.1743
USD/BRL	5.5882
USD/RUB	78.05
USD/INR	85.849
AUD/USD	0.6549
NZD/USD	0.598

Dollar/Yen Exchange Rate

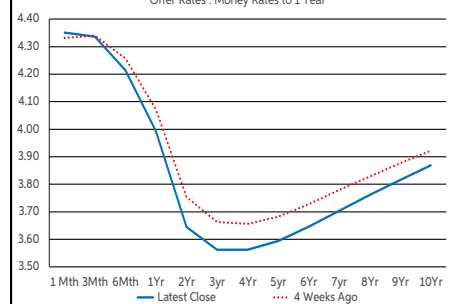


Euro/Yen Exchange Rate



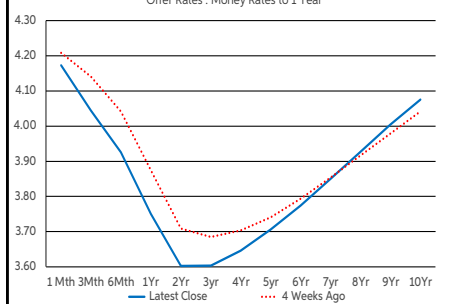
US Swap Curve

Offer Rates : Money Rates to 1 Year



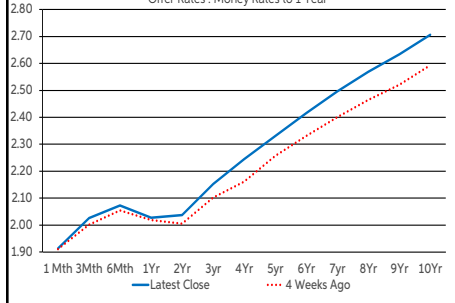
UK Swap Curve

Offer Rates : Money Rates to 1 Year

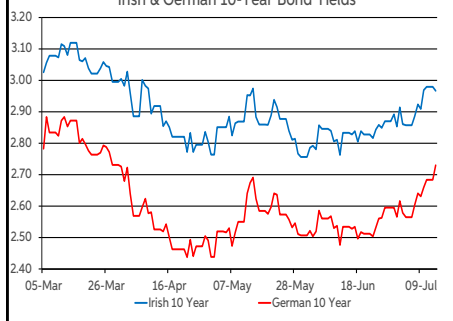


Eurozone Swap Curve

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	4.43	+0	-3	-15
Germany	2.73	+5	+20	+37
UK	4.60	-3	+7	+3
Ireland	3.01	-1	+15	+36
Belgium	3.29	+1	+19	+30
France	3.43	+2	+20	+24
Italy	3.62	+2	+16	+10
Spain	3.34	+1	+20	+28
Portugal	3.18	+2	+14	+33
Greece	3.44	+2	+17	+19
5 Year Swap %				
US	3.85	+3	-8	-44
Eurozone	2.33	-0	+7	+9
UK	3.95	-3	-4	-34
2 Year Swap %				
US	3.89	-1	-10	-44
Eurozone	2.03	-2	+3	-16
UK	3.84	-4	-10	-65
10 Year Government Bond Spreads to Benchmark bps				
Ireland	28	-6	-5	-1
Belgium	55	-3	-1	-7
France	70	-3	+0	-13
Italy	89	-3	-4	-27
Spain	61	-4	+0	-9
Portugal	45	-3	-6	-4
Greece	71	-3	-4	-18

Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	69.21	-1.63	-5.49	-7.27
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3343.5	-0.36	-1.16	+27.43

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