

ECB in focus this week

There was a mixed mood on financial markets last week. In the US, some strong Q2 company earnings reports and solid/better than anticipated data releases helped lift the S&P 500 0.6% higher. In contrast, some disappointing earnings reports in the Eurozone and the threat of potential 30% tariffs on EU exports to the US, weighed on the Euro Stoxx 50, which registered a 0.5% fall for the week.

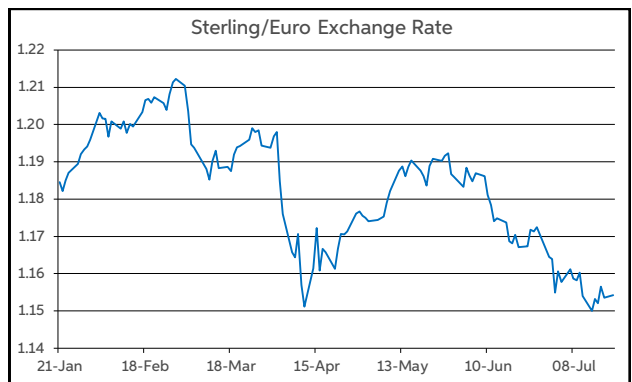
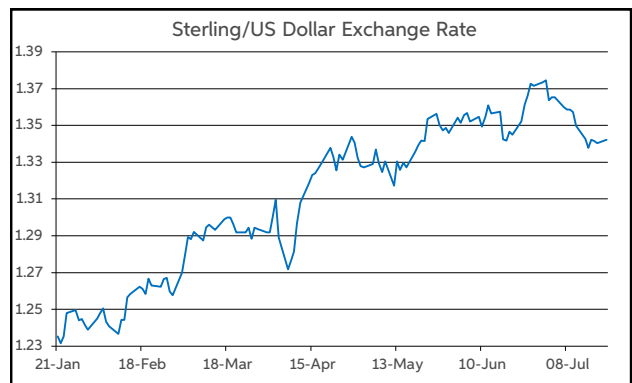
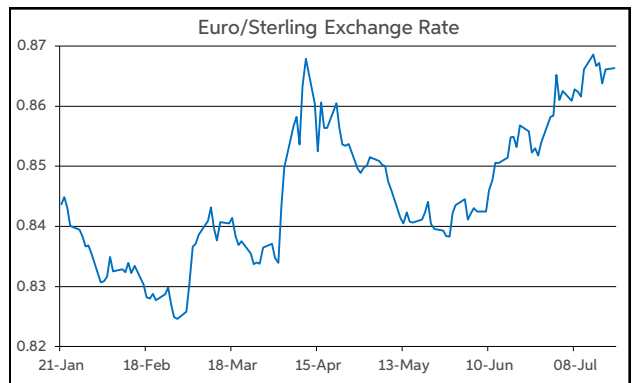
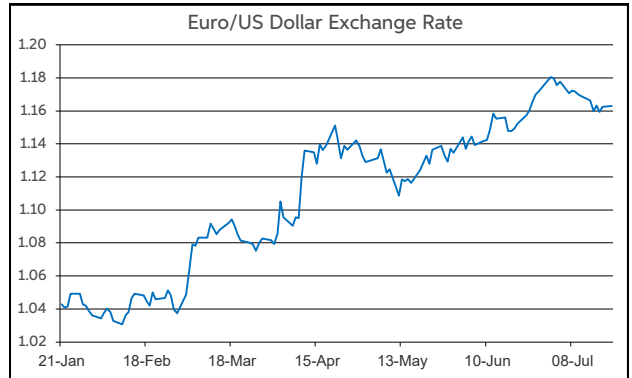
On bond markets, US Treasury and German Bund yields moved slightly lower last week. However, in the UK, Gilt yields rose by 3-8bps along the curve. The move coincided with a modest firming in UK rate expectations, on the back of some sticky inflation data for June and decent labour market figures for April/May.

Currency-wise, the dollar was on the front-foot once again for most of last week. This saw EUR/USD probe below \$1.16 and GBP/USD test below \$1.34. However, reports that Fed Chair Powell may be removed from his position sparked some brief volatility, and saw the dollar depreciate sharply in the middle of last week. After the reports were quashed though, the dollar re-took the ascendancy.

In level terms, EUR/USD opens today back in the lower half of the \$1.16-1.17 range. GBP/USD is just above the \$1.34 threshold. Elsewhere, EUR/GBP is in and around the midpoint of the 86-87p corridor. USD/JPY starts the week just above ¥148.

Turning to the week ahead, the main highlight will be the ECB policy meeting. The Governing Council is widely expected to leave rates on hold, meaning the focus will be centred on the meeting statement and the press conference for any policy guidance. Data-wise, the flash PMIs for July in the Eurozone, UK and US will feature. A slew of other important national survey data in the Eurozone, and updates on the UK consumer in the form of retail sales (June) and confidence (July) are also due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1629	0.09	12.32
EUR/GBP	0.8663	0.10	4.71
GBP/USD	1.3422	0.01	7.28
GBP/EUR	1.154	-0.10	-4.50
USD/JPY	148.11	-0.38	-5.77
EUR/JPY	172.25	-0.30	5.84

* 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	4.31	3.97	3.91	3.86
EUR	2.00	1.88	2.00	2.00	2.00	2.28
GBP	4.25	4.13	4.03	3.82	3.96	4.06

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

Monday 21 July 2025
07:20 am



Euro

EUR/GBP	0.8663
EUR/USD	1.1629
EUR/JPY	172.25
EUR/SEK	11.2365
EUR/DKK	7.4642
EUR/NOK	11.8216
EUR/CHF	0.9316
EUR/AUD	1.7856
EUR/HKD	9.1265
EUR/CAD	1.5953

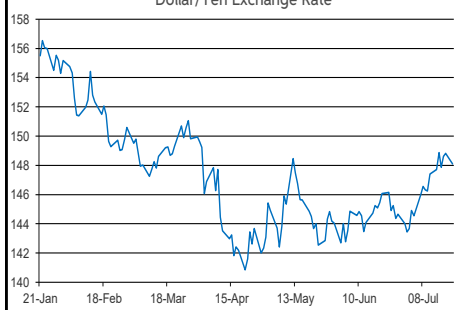
Sterling

GBP/EUR	1.154
GBP/USD	1.3422
GBP/CAD	1.8413
GBP/NZD	2.2522
GBP/JPY	198.77
GBP/SEK	12.9706
GBP/DKK	8.6154
GBP/NOK	13.6445
GBP/CHF	1.0753
GBP/AUD	2.0607

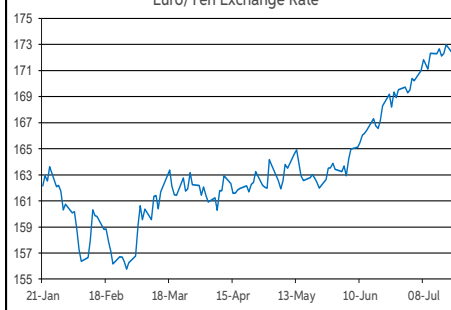
Dollar

USD/JPY	148.11
USD/CAD	1.3719
USD/CHF	0.801
USD/CNY	7.1767
USD/BRL	5.58
USD/RUB	78.5
USD/INR	86.234
AUD/USD	0.6511
NZD/USD	0.5956

Dollar/Yen Exchange Rate

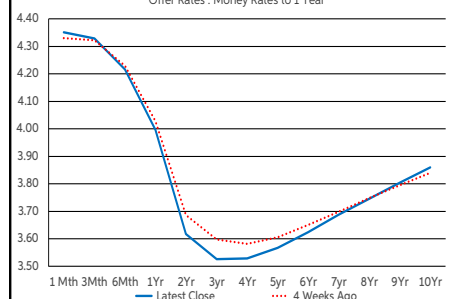


Euro/Yen Exchange Rate



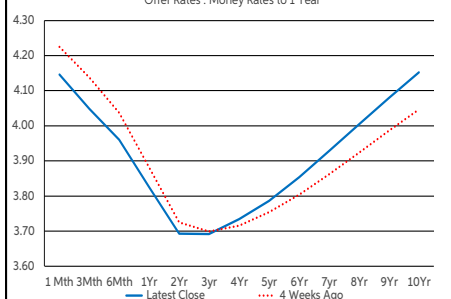
US Swap Curve

Offer Rates : Money Rates to 1 Year



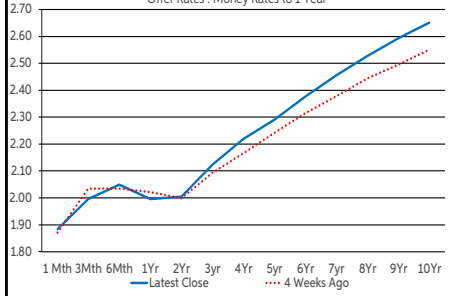
UK Swap Curve

Offer Rates : Money Rates to 1 Year

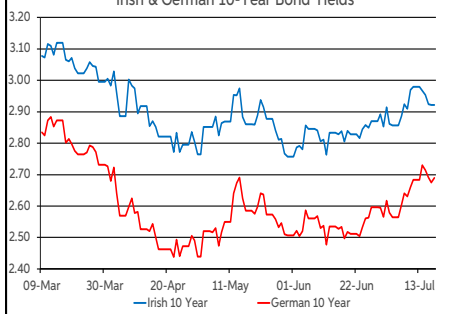


Eurozone Swap Curve

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	-3	+6	-15
Germany	2.69	+2	+18	+33
UK	4.68	+2	+14	+10
Ireland	2.96	+1	+9	+31
Belgium	3.25	+2	+16	+27
France	3.40	+1	+15	+20
Italy	3.58	+1	+5	+6
Spain	3.31	+2	+9	+24
Portugal	3.14	+2	+11	+29
Greece	3.40	+1	+9	+16
5 Year Swap %				
US	3.82	-5	-4	-47
Eurozone	2.29	-2	+6	+5
UK	4.01	-2	+2	-28
2 Year Swap %				
US	3.88	-4	-6	-45
Eurozone	2.00	-1	+0	-19
UK	3.92	-1	-4	-57
10 Year Government Bond Spreads to Benchmark bps				
Ireland	27	-0	-9	-2
Belgium	56	+0	-2	-6
France	71	-0	-3	-13
Italy	89	-0	-13	-27
Spain	62	+0	-9	-8
Portugal	45	+0	-7	-3
Greece	71	-0	-9	-17

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	69.28	-0.35	-10.04	-7.18
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3349.3	+0.32	-0.56	+27.65

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