

Dollar starts the week on the defensive

The mixed mood on markets from last week carried through to yesterday. Amid a barren macro calendar on both sides of the Atlantic, investor sentiment was largely driven by EU-US trade related headlines and further criticism of the Fed from White House officials. Reports suggest that the EU is preparing a more significant package of retaliatory tariffs on US goods, if a trade deal cannot be reached by August 1st. Meantime, Treasury Secretary Bessent called for an enquiry into the “entire Federal Reserve”, although he later clarified that Fed independence is a “cornerstone” of American stability.

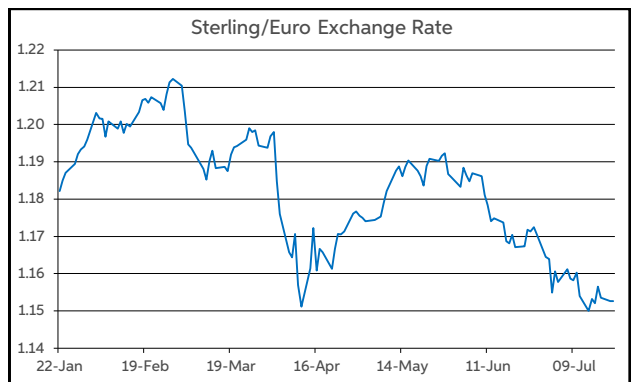
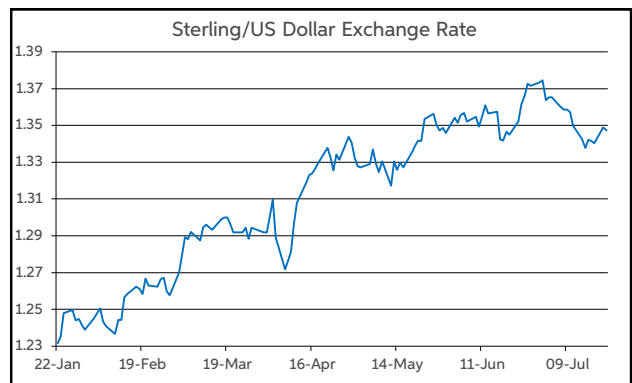
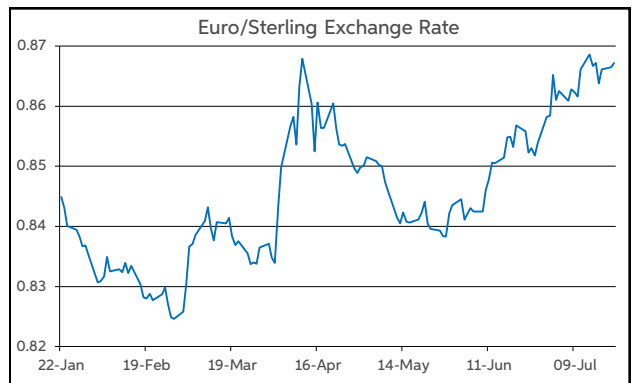
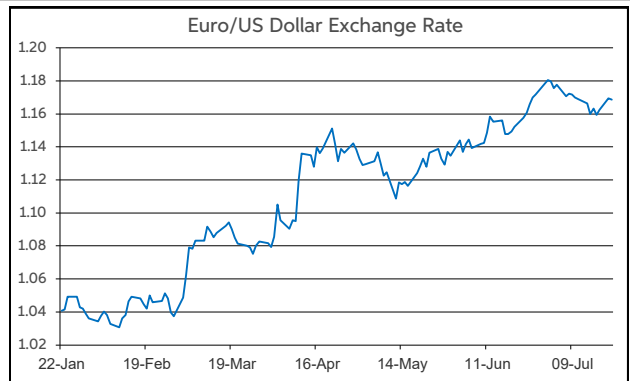
On equity markets, the S&P 500 edged 0.1% higher yesterday, having touched a new all-time high earlier in the day. Meanwhile, the Euro Stoxx 50 was 0.3% lower. In terms of fixed income, bond yields declined across the board. Benchmark 10-year yields fell by circa 5-8bps in the US, UK and Eurozone. However, there was no obvious catalyst for the move.

On the currency front, the dollar handed back some of its gains from last week. Throughout yesterday, the greenback declined steadily, amid the on-going criticism of the Fed. Overall the greenback declined by around 0.5% against the euro, sterling and yen.

In level terms, the softer tone to the dollar sees EUR/USD open this morning up in the top half of the \$1.16-1.17 range. GBP/USD is operating in the upper regions of the \$1.34-1.35 corridor. Elsewhere, EUR/GBP remains above the midpoint of the 86-87p trading band. USD/JPY is changing hands back below the ¥148 mark.

Turning to the day ahead, and the macro calendar is sparse once again. Remarks from Fed Chair Powell and Governor Bowman will warrant attention, albeit neither are likely to discuss the future path of US rates. Meantime in the UK, Governor Bailey is due to appear at the Treasury Select Committee to discuss financial stability.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1687	0.50	12.89
EUR/GBP	0.8672	0.09	4.82
GBP/USD	1.3472	0.41	7.68
GBP/EUR	1.1525	-0.09	-4.60
USD/JPY	147.64	-0.53	-6.07
EUR/JPY	172.56	-0.04	6.03

* 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	4.34	4.31	3.97	3.90	3.83
EUR	2.00	1.88	2.00	1.98	1.98	2.26
GBP	4.25	4.09	4.01	3.79	3.91	3.99

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
---------	----------------------------	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

Opening Levels

Tuesday 22 July 2025
06:16 am



Euro

EUR/GBP	0.8672
EUR/USD	1.1687
EUR/JPY	172.56
EUR/SEK	11.1949
EUR/DKK	7.4645
EUR/NOK	11.8927
EUR/CHF	0.9328
EUR/AUD	1.7933
EUR/HKD	9.1745
EUR/CAD	1.5994

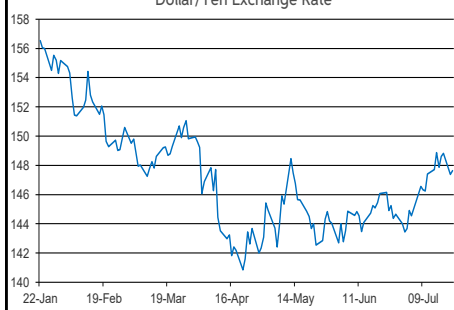
Sterling

GBP/EUR	1.1525
GBP/USD	1.3472
GBP/CAD	1.8437
GBP/NZD	2.2612
GBP/JPY	198.9
GBP/SEK	12.9038
GBP/DKK	8.6024
GBP/NOK	13.7073
GBP/CHF	1.0747
GBP/AUD	2.067

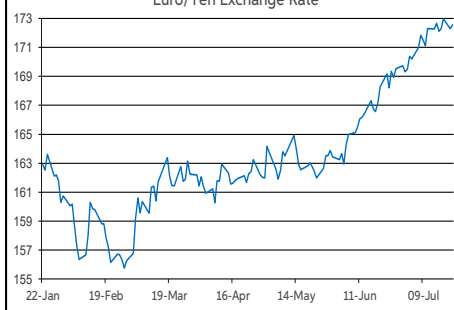
Dollar

USD/JPY	147.64
USD/CAD	1.3688
USD/CHF	0.7978
USD/CNY	7.1721
USD/BRL	5.5667
USD/RUB	78.1955
USD/INR	86.256
AUD/USD	0.6515
NZD/USD	0.5955

Dollar/Yen Exchange Rate

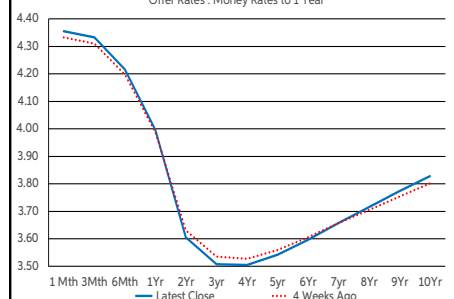


Euro/Yen Exchange Rate



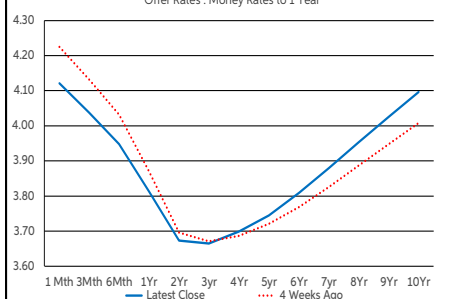
US Swap Curve

Offer Rates : Money Rates to 1 Year



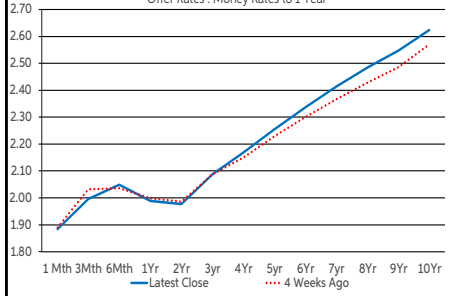
UK Swap Curve

Offer Rates : Money Rates to 1 Year

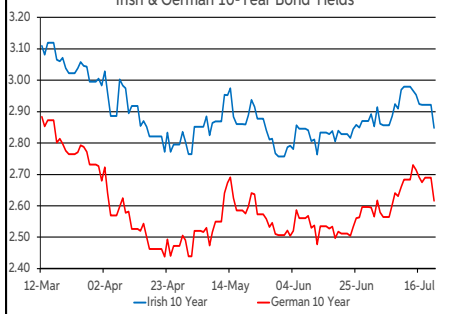


Eurozone Swap Curve

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	4.37	-6	+5	-21
Germany	2.62	-7	+11	+25
UK	4.61	-7	+11	+3
Ireland	2.89	-7	+3	+24
Belgium	3.16	-9	+6	+18
France	3.30	-10	+7	+10
Italy	3.48	-9	-3	-4
Spain	3.22	-9	+2	+15
Portugal	3.05	-9	+4	+20
Greece	3.32	-8	+2	+7
5 Year Swap %				
US	3.80	-2	-1	-49
Eurozone	2.25	-4	+3	+1
UK	3.99	-4	+3	-30
2 Year Swap %				
US	3.87	-1	-1	-46
Eurozone	1.97	-3	-1	-22
UK	3.90	-2	-2	-59
10 Year Government Bond Spreads to Benchmark bps				
Ireland	27	+0	-8	-2
Belgium	55	-2	-5	-7
France	68	-3	-4	-15
Italy	86	-2	-14	-29
Spain	60	-2	-9	-10
Portugal	44	-2	-7	-5
Greece	70	-1	-9	-18

Commodities

	Close	Day	4 Weeks	End 24
Brent Oil	69.21	-0.10	-3.18	-7.27
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3395.3	+1.38	+0.80	+29.40

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.