

Dollar remains under pressure

The market action on the first day of June trading was relatively subdued yesterday. This was reflected in generally modest moves on the main equity indices. In Europe, the Euro Stoxx 50 edged 0.2% lower. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 0.4% higher on the day.

Data-wise, the macro calendar was quiet to start the week. The main release of note came from the US diary. The manufacturing ISM for May was weaker than expected, printing at 48.5 (vs. f'cast for 49.5). The underlying details indicate that the sector remains under pressure.

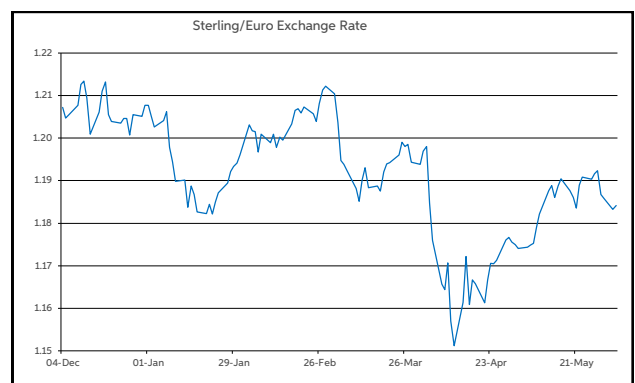
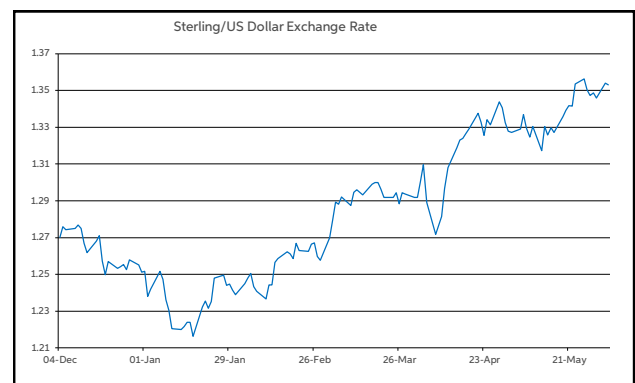
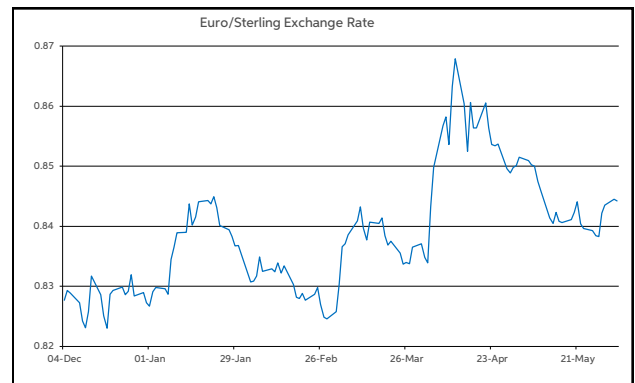
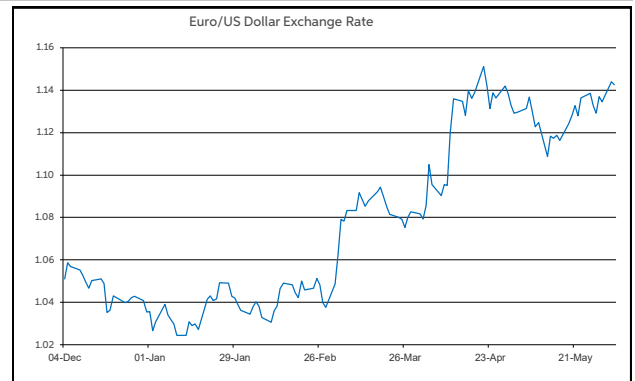
From a currency viewpoint, the main pairs were confined to relatively narrow ranges yesterday. This pattern has continued in overnight trading. Of the action to register, the dollar remains on the defensive against the other majors amid the on-going US trade/tariff related uncertainty.

In level terms, this is reflected in EUR/USD opening this morning above the \$1.14 threshold, while the GBP/USD pair is operating up in \$1.35 territory. The USD/JPY pair is trading below the ¥143 handle. Elsewhere on the currency front, EUR/GBP is changing hands in the lower half of the 84-85p corridor.

Looking ahead to today, the main data highlight will be the flash reading of Eurozone HICP inflation for May. The headline rate is expected to edge down to 2.0% (from 2.2%), while the core rate is being pencilled in for a 2.5% reading (from 2.7%). Unless the data spring a significant surprise, the impact on the euro may be limited.

Indeed, currency-watchers will be mindful of the ECB policy decision looming on the horizon on Thursday. The market is expecting another 25bps rate cut at this meeting.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1427	0.55	10.37
EUR/GBP	0.8442	0.21	2.04
GBP/USD	1.3532	0.33	8.16
GBP/EUR	1.184	-0.21	-2.00
USD/JPY	142.87	-0.46	-9.10
EUR/JPY	163.28	0.09	0.33

* 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	4.31	4.31	4.04	4.00	3.92
EUR	2.40	2.00	2.00	1.98	1.95	2.18
GBP	4.25	4.20	4.18	3.98	4.06	4.11

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 03 June 2025
07:30 am



Euro

EUR/GBP	0.8442
EUR/USD	1.1427
EUR/JPY	163.28
EUR/SEK	10.903
EUR/DKK	7.4603
EUR/NOK	11.5516
EUR/CHF	0.9341
EUR/AUD	1.7695
EUR/HKD	8.9631
EUR/CAD	1.5689

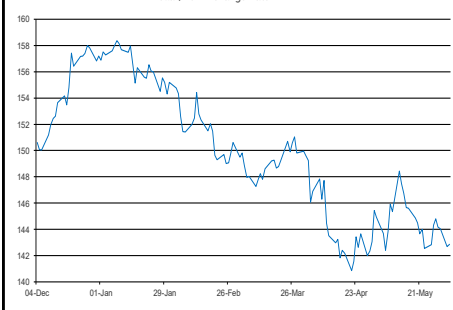
Sterling

GBP/EUR	1.184
GBP/USD	1.3532
GBP/CAD	1.8578
GBP/NZD	2.2563
GBP/JPY	193.33
GBP/SEK	12.9119
GBP/DKK	8.8319
GBP/NOK	13.669
GBP/CHF	1.1061
GBP/AUD	2.0954

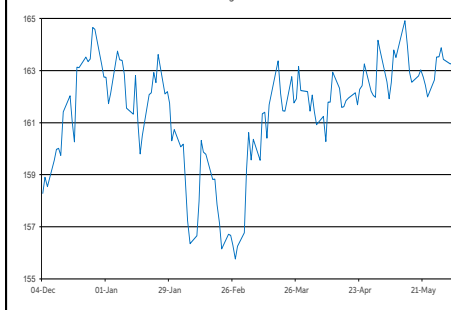
Dollar

USD/JPY	142.87
USD/CAD	1.373
USD/CHF	0.8175
USD/CNY	7.1966
USD/BRL	5.6737
USD/RUB	78.85
USD/INR	85.422
AUD/USD	0.6454
NZD/USD	0.5995

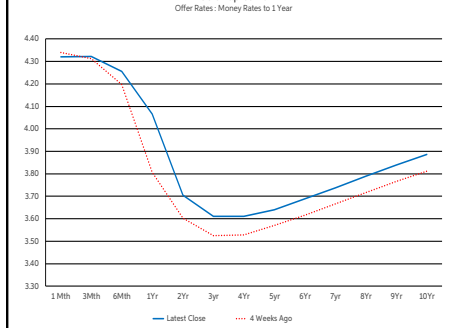
Dollar/Yen Exchange Rate



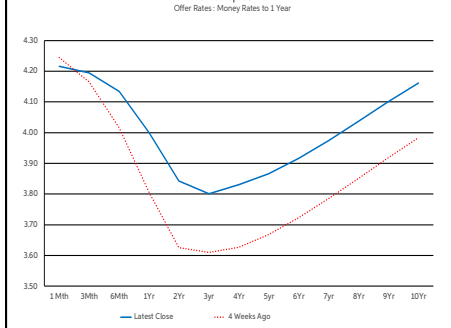
Euro/Yen Exchange Rate



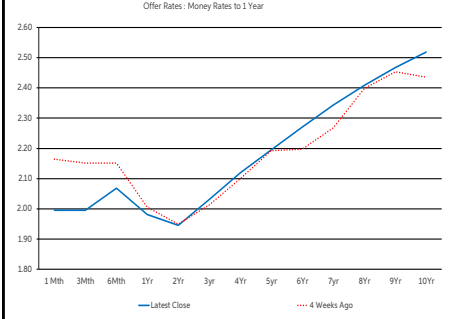
US Swap Curve



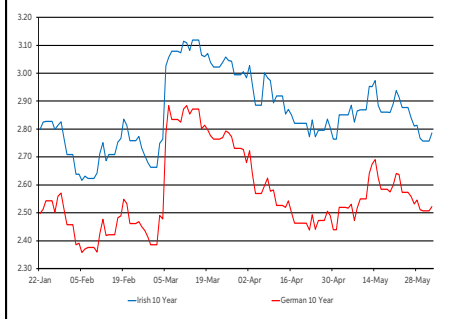
UK Swap Curve



Eurozone Swap Curve



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.46	+4	+12	-12
Germany	2.52	+1	+0	+16
UK	4.68	+2	+18	+10
Ireland	2.82	+3	-6	+17
Belgium	3.05	+2	-6	+7
France	3.19	+3	-4	-0
Italy	3.52	+2	-10	-0
Spain	3.12	+2	-6	+5
Portugal	2.99	+1	-6	+14
Greece	3.29	+1	-8	+4
5 Year Swap %				
US	3.89	+4	+8	-40
Eurozone	2.19	+1	+0	-5
UK	4.11	+1	+20	-18
2 Year Swap %				
US	3.95	+3	+10	-39
Eurozone	1.94	+0	-0	-25
UK	4.07	+0	+20	-42
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	+1	-7	+1
Belgium	53	+1	-6	-9
France	67	+1	-5	-16
Italy	100	+1	-10	-16
Spain	59	+0	-6	-11
Portugal	47	-1	-7	-2
Greece	77	+0	-9	-12

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	64.63	+1.14	+7.31	-13.41
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3379.1	+2.73	+1.36	+28.78

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