

EUR/USD starts today north of \$1.16

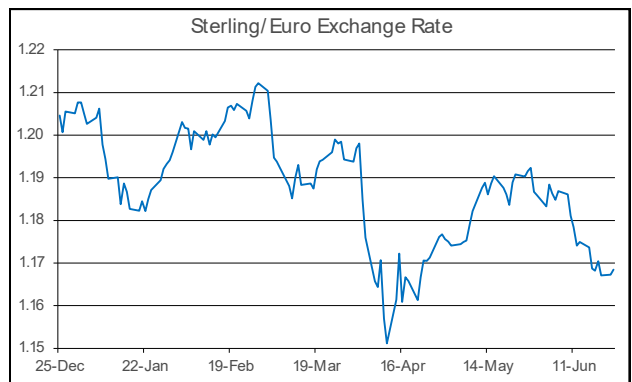
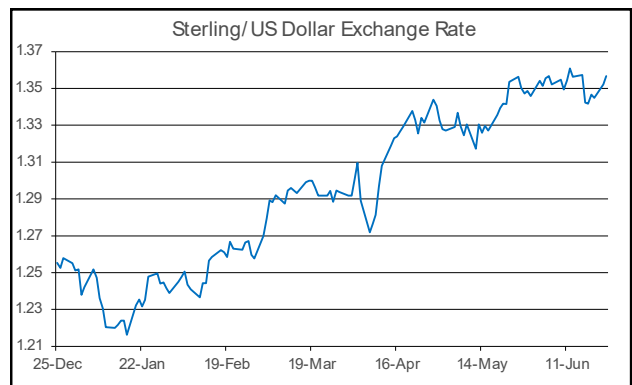
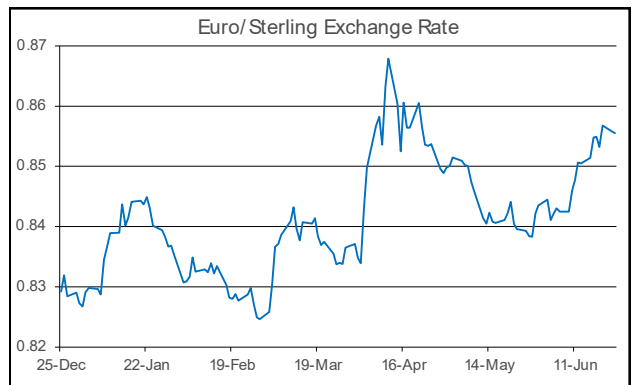
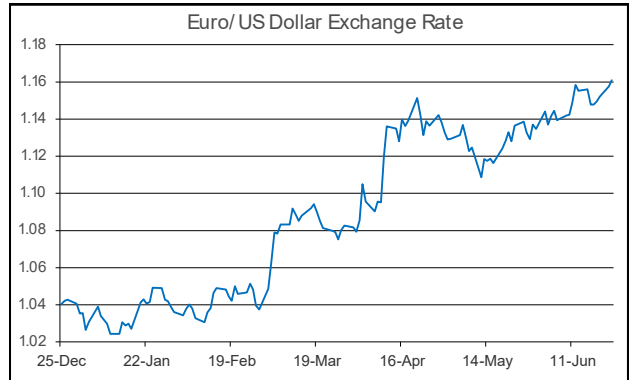
Risk appetite has whipsawed over the past 24 hours, in reaction to developments in the Iran-Israel/US conflict. Initially, there was a risk averse tone yesterday, as investors digested the weekend US strikes against Iran. However, sentiment ameliorated as the day progressed. Risk appetite soured again just after the close in Europe though, as Iran launched retaliatory strikes on US military bases in the region. Regardless, the mood on markets improved markedly overnight, as the impact of the Iran attack was assessed to be limited, and as President Trump announced a ceasefire had been agreed.

Against this backdrop, the Euro Stoxx 50 edged 0.2% lower, while on Wall Street, the S&P 500 rallied late on to register a 1.0% gain, with the Nikkei up over 1% also. Meantime, oil prices fell sharply overnight and in early trading this morning, meaning Brent crude is back below \$69 per barrel, down over 10% compared to yesterday's open.

Elsewhere on markets, there was a modest softening in US futures contracts, amid some dovish Fed rhetoric. Fed Governor Bowman, indicated that she may support a rate cut at the next FOMC meeting in July, echoing remarks made by Fed Governor Waller last Friday. Nevertheless, markets see only a small chance of a rate cut in July (circa 20%), but a 25bps cut is expected for September, with around 55bps of easing now priced-in by year end.

Currency-wise, the dollar has mirrored changes in risk appetite over the past 24 hours, benefitting when sentiment has deteriorated but coming under pressure when it has improved. Thus, amid the improvement in risk appetite overnight, the dollar starts today on the back-foot. EUR/USD is north of \$1.16, while GBP/USD is above the midpoint of \$1.35-1.36. Investors will be keeping a close eye on any further developments in the Middle East today. Remarks from a number of ECB and Fed officials (including Chair Powell's semi-annual testimony to Congress) will also warrant attention.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2024 |
| EUR/ USD | 1.1609 | 1.04 | 12.13 |
| EUR/ GBP | 0.8555 | -0.14 | 3.41 |
| GBP/ USD | 1.3567 | 1.21 | 8.44 |
| GBP/ EUR | 1.1685 | 0.14 | -3.30 |
| USD/ JPY | 145.31 | -1.14 | -7.55 |
| EUR/ JPY | 168.71 | -0.11 | 3.66 |

* 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 | 4.32 | 4.30 | 3.97 | 3.91 | 3.84 |
| EUR | 2.00 | 1.87 | 2.03 | 2.00 | 1.99 | 2.23 |
| GBP | 4.25 | 4.21 | 4.12 | 3.84 | 3.93 | 3.96 |

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 24 June 2025
06:55 am



Euro

| | |
|---------|---------|
| EUR/GBP | 0.8555 |
| EUR/USD | 1.1609 |
| EUR/JPY | 168.71 |
| EUR/SEK | 11.109 |
| EUR/DKK | 7.4598 |
| EUR/NOK | 11.6796 |
| EUR/CHF | 0.9422 |
| EUR/AUD | 1.7873 |
| EUR/HKD | 9.1134 |
| EUR/CAD | 1.5926 |

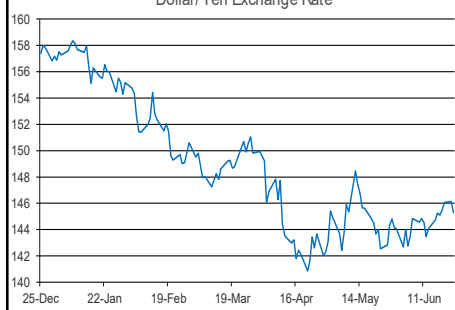
Sterling

| | |
|---------|---------|
| GBP/EUR | 1.1685 |
| GBP/USD | 1.3567 |
| GBP/CAD | 1.8607 |
| GBP/NZD | 2.2554 |
| GBP/JPY | 197.11 |
| GBP/SEK | 12.9804 |
| GBP/DKK | 8.7175 |
| GBP/NOK | 13.6488 |
| GBP/CHF | 1.101 |
| GBP/AUD | 2.0877 |

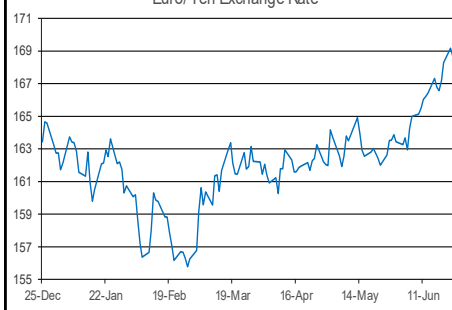
Dollar

| | |
|---------|--------|
| USD/JPY | 145.31 |
| USD/CAD | 1.3718 |
| USD/CHF | 0.8113 |
| USD/CNY | 7.1774 |
| USD/BRL | 5.4946 |
| USD/RUB | 78.1 |
| USD/INR | 86.212 |
| AUD/USD | 0.6493 |
| NZD/USD | 0.601 |

Dollar/Yen Exchange Rate

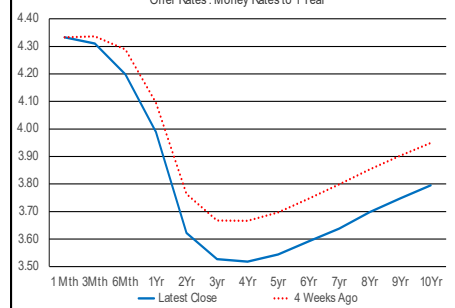


Euro/Yen Exchange Rate



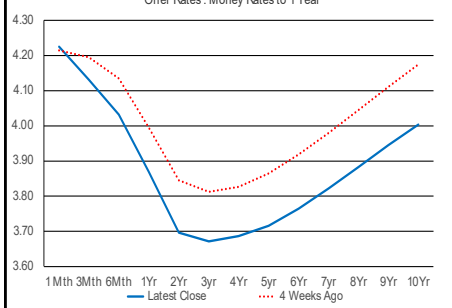
US Swap Curve

Offer Rates : Money Rates to 1 Year



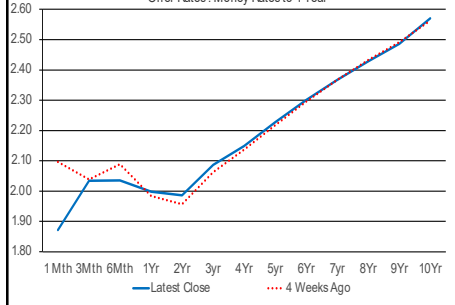
UK Swap Curve

Offer Rates : Money Rates to 1 Year

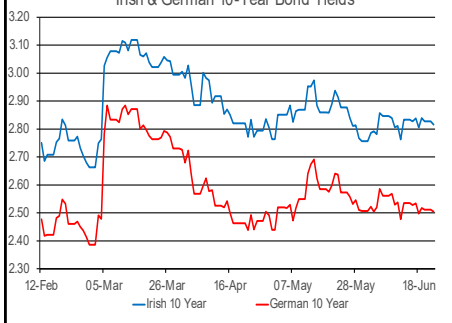


Eurozone Swap Curve

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 | 4.32 | -5 | -19 | -26 |
| Germany | 2.51 | -1 | -6 | +14 |
| UK | 4.50 | -4 | -19 | -8 |
| Ireland | 2.86 | -1 | -2 | +21 |
| Belgium | 3.10 | +0 | +0 | +12 |
| France | 3.23 | -2 | -1 | +3 |
| Italy | 3.51 | -2 | -5 | -1 |
| Spain | 3.19 | -2 | +2 | +13 |
| Portugal | 3.01 | -2 | -6 | +16 |
| Greece | 3.30 | -2 | -3 | +5 |
| 5 Year Swap % | | | | |
| US | 3.81 | -4 | -12 | -48 |
| Eurozone | 2.22 | +0 | +1 | -1 |
| UK | 3.96 | -3 | -12 | -33 |
| 2 Year Swap % | | | | |
| US | 3.89 | -5 | -12 | -45 |
| Eurozone | 1.98 | -1 | +3 | -21 |
| UK | 3.92 | -3 | -14 | -57 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 35 | -0 | +3 | +7 |
| Belgium | 59 | +1 | +6 | -3 |
| France | 72 | -1 | +5 | -11 |
| Italy | 100 | -1 | +1 | -16 |
| Spain | 69 | -2 | +7 | -1 |
| Portugal | 51 | -2 | -0 | +2 |
| Greece | 79 | -1 | +3 | -9 |

Commodities

| | Close | % Change | | |
|----------------|--------|----------|---------|--------|
| | | Day | 4 Weeks | End 24 |
| Brent Oil | 68.5 | -11.05 | +5.81 | -8.23 |
| West Texas Oil | 71.65 | -0.17 | -1.90 | -1.27 |
| Gold \$ | 3368.5 | +0.02 | +0.77 | +28.38 |

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