

Firmer tone to risk appetite yesterday

Investor sentiment continued to firm yesterday, as a fragile ceasefire to the Israel-Iran conflict took hold. Meantime, some dovish remarks from central bank officials and mixed data influenced financial markets yesterday. Overall, this resulted in the Euro Stoxx 50 rising by 1.4%, while the S&P 500 gained 1.1%.

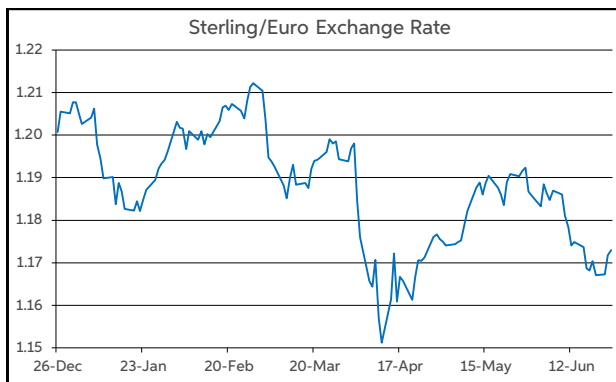
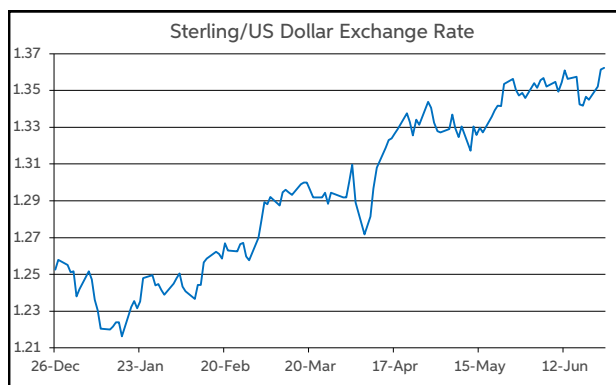
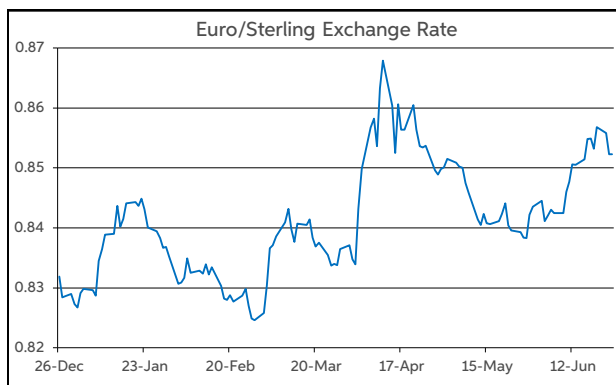
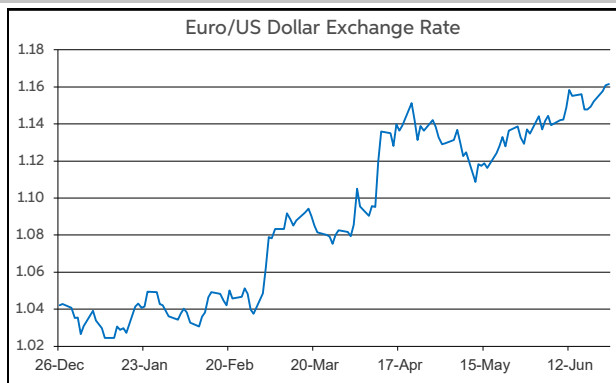
On the monetary policy front, most of the attention centred on day one of Fed Chair Powell's semi-annual testimony to Congress. His remarks were broadly in-line with the messaging provided post the FOMC meeting last week, although he did note that if inflation is not as strong as expected, the Fed may cut "sooner". Elsewhere, BoE Governor Bailey and Deputy Governor Ramsden both noted that there are signs of slack in the UK economy. Their remarks coincided with a marginal softening in UK rate expectations

Data-wise, the bellwether German IFO increased for a six consecutive month, rising to 88.4 in June (vs. 88.2 f'cast), its highest level in a year. In contrast, US consumer confidence deteriorated markedly in June, falling to 93.0 (vs. 100.0 f'cast), owing to a downbeat assessment of the labour market from participants.

Regarding FX markets, the dollar started the day on the defensive amid the improvement in risk appetite. Furthermore, it came under renewed downward pressure following the release of the poor consumer confidence data. However, the dollar recouped most of its losses overnight. Elsewhere, sterling has been slightly firmer over the past 24 hours. As trading gets underway this morning, EUR/USD remains above \$1.16, while GBP/USD is north of \$1.36. EUR/GBP is in the lower half of 85-86p.

Turning to the day ahead, the data calendar is quite sparse. Thus, attention will likely remain centred on the second day of Fed Chair Powell's testimony, and any developments regarding the Middle East.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1615	0.09	12.19
EUR/GBP	0.8524	-0.35	3.03
GBP/USD	1.3623	0.45	8.89
GBP/EUR	1.1728	0.35	-2.94
USD/JPY	145.14	-0.18	-7.66
EUR/JPY	168.6	-0.10	3.59

* 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	3.93	3.87	3.79
EUR	2.00	1.89	2.03	1.98	1.98	2.22
GBP	4.25	4.21	4.10	3.81	3.90	3.94

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

Wednesday 25 June 2025
07:43 am



Euro

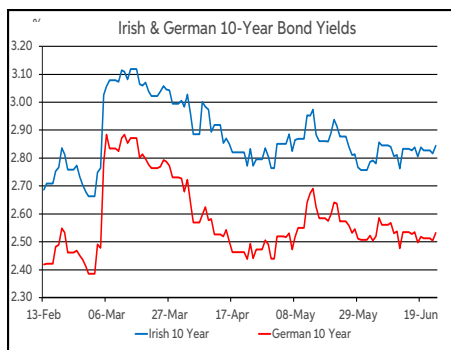
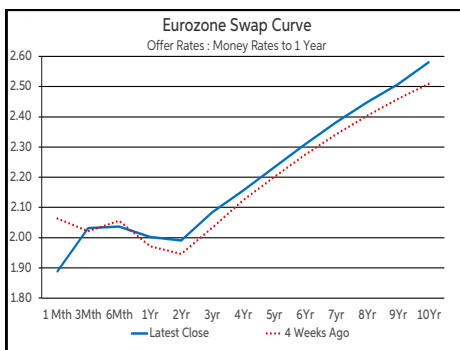
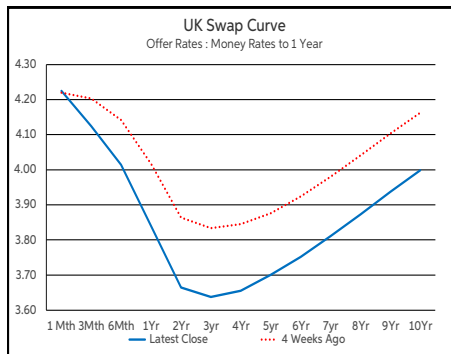
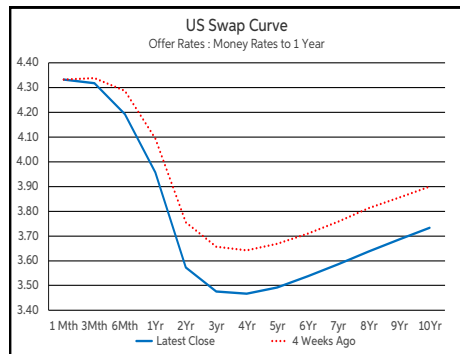
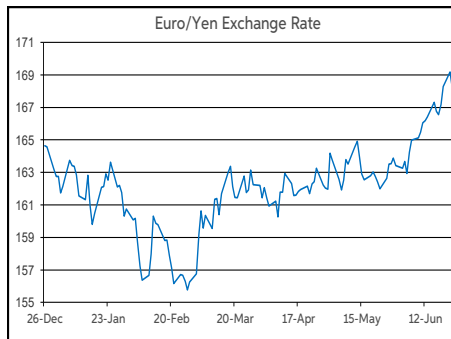
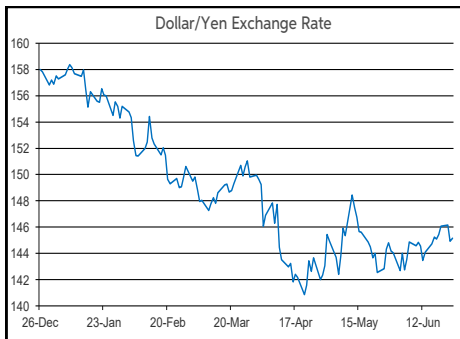
EUR/GBP	0.8524
EUR/USD	1.1615
EUR/JPY	168.6
EUR/SEK	11.0628
EUR/DKK	7.4599
EUR/NOK	11.7469
EUR/CHF	0.9348
EUR/AUD	1.7866
EUR/HKD	9.1176
EUR/CAD	1.5941

Sterling

GBP/EUR	1.1728
GBP/USD	1.3623
GBP/CAD	1.8697
GBP/NZD	2.26
GBP/JPY	197.72
GBP/SEK	12.9754
GBP/DKK	8.7484
GBP/NOK	13.7693
GBP/CHF	1.0966
GBP/AUD	2.0955

Dollar

USD/JPY	145.14
USD/CAD	1.3725
USD/CHF	0.8046
USD/CNY	7.1697
USD/BRL	5.5109
USD/RUB	78.4
USD/INR	85.8825
AUD/USD	0.6498
NZD/USD	0.6024



Debt Markets				
	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.29	-3	-14	-28
Germany	2.53	+3	+0	+17
UK	4.47	-2	-20	-10
Ireland	2.89	+3	+5	+24
Belgium	3.11	+1	+4	+13
France	3.25	+2	+4	+6
Italy	3.49	-2	-4	-3
Spain	3.21	+1	+6	+14
Portugal	3.02	+1	-1	+17
Greece	3.32	+2	+1	+7
5 Year Swap %				
US	3.75	-6	-16	-54
Eurozone	2.23	+0	+3	-1
UK	3.94	-1	-17	-34
2 Year Swap %				
US	3.84	-4	-16	-49
Eurozone	1.99	+0	+4	-21
UK	3.91	-1	-19	-58
10 Year Government Bond Spreads to Benchmark bps				
Ireland	35	+0	+5	+7
Belgium	57	-2	+4	-4
France	72	-1	+4	-12
Italy	96	-4	-4	-20
Spain	67	-2	+7	-3
Portugal	49	-2	-1	+0
Greece	79	-0	+1	-10

Commodities				
	Close	Day	4 Weeks	End 24
Brent Oil	67.14	-6.07	+4.76	-10.05
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3323.8	-1.33	+0.73	+26.68

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