

EUR/USD tests \$1.17

There was a cautious mood on financial markets yesterday, amid a relatively quiet data schedule on both sides of the Atlantic. Having initially edged higher, the Euro Stoxx 50 ended the day down by 0.9%. The fall in the index coincided with reports that the EU may introduce retaliatory tariffs if a trade deal with the US cannot be agreed. Meantime, the S&P 500 moved sideways for much of the US session and finished flat for the day.

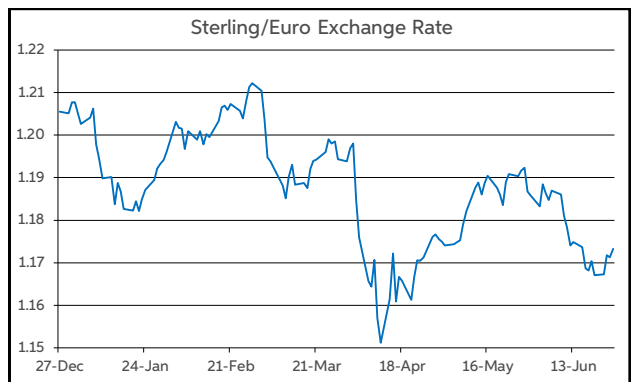
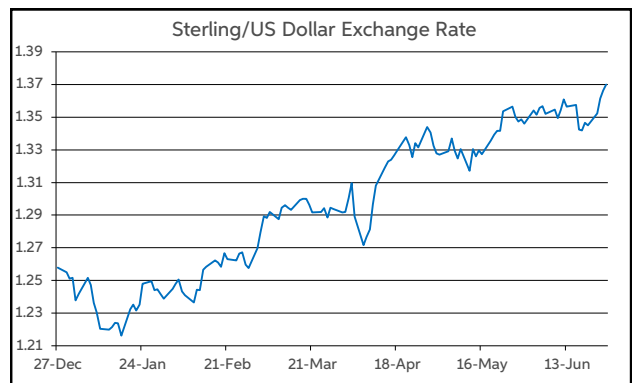
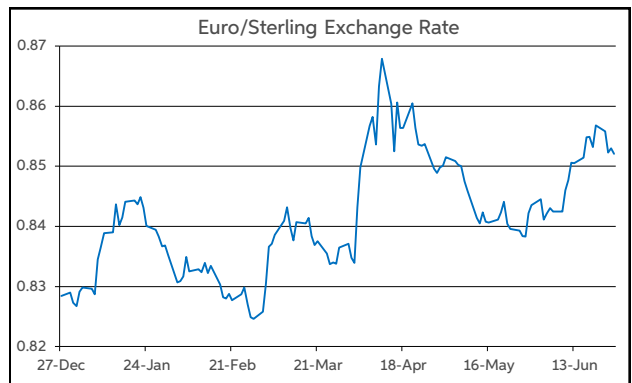
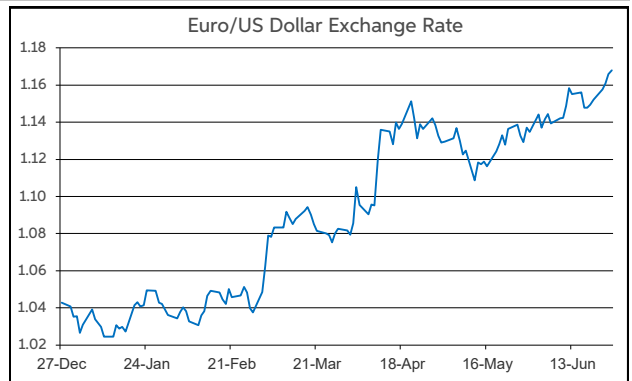
On the monetary policy front, most of the attention centred on the second day of Fed Chair Powell's semi-annual testimony to Congress. However, his remarks were little changed from the day before, and continued to emphasise a cautious approach to potential rate cuts. Meanwhile, amid reports that President Trump may name a new Fed Chair later this year to try and undermine Powell, US rate expectations softened overnight. Futures contracts are now pricing in circa 65bps of policy easing by year end.

Currency-wise, the main FX pairs operated in very tight ranges throughout the European session yesterday. Overnight though, the dollar has been under some downward pressure, amid the softening in US rate expectations. Overall, the greenback has shed around 0.5% versus the euro, sterling and yen.

In level terms, the softer tone to the dollar sees EUR/USD open this morning in the top half of the \$1.16-1.17 range, having posted a new year-to-date high above \$1.17 overnight. GBP/USD is up at the \$1.37 threshold (its highest level since early 2022). EUR/GBP remains in the lower half of 85-86p. USD/JPY is back at the midpoint of ¥144-145.

Turning to the day ahead, the data calendar is quite sparse once again. The main highlights will be the latest US initial jobless claims figures and the final reading of US GDP for Q1. Preliminary US trade data for May will also garner some attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1678	0.56	12.80
EUR/GBP	0.8521	-0.07	3.00
GBP/USD	1.3702	0.65	9.52
GBP/EUR	1.1731	0.07	-2.91
USD/JPY	144.5	-0.30	-8.07
EUR/JPY	168.74	0.24	3.68

* 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	4.28	3.89	3.84	3.76
EUR	2.00	1.93	2.00	1.99	1.99	2.23
GBP	4.25	4.21	4.09	3.79	3.87	3.93

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	0.8521
EUR/USD	1.1677
EUR/JPY	168.75
EUR/SEK	11.049
EUR/DKK	7.4605
EUR/NOK	11.8134
EUR/CHF	0.938
EUR/AUD	1.7883
EUR/HKD	9.1662
EUR/CAD	1.6013

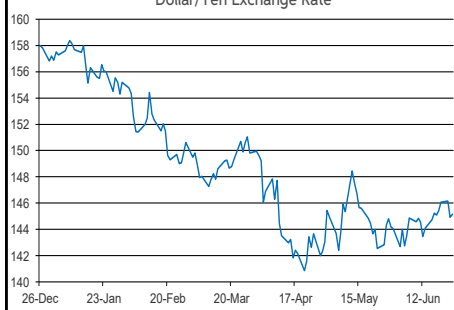
Sterling

GBP/EUR	1.1732
GBP/USD	1.3701
GBP/CAD	1.8787
GBP/NZD	2.2643
GBP/JPY	197.97
GBP/SEK	12.9634
GBP/DKK	8.7518
GBP/NOK	13.856
GBP/CHF	1.1007
GBP/AUD	2.0981

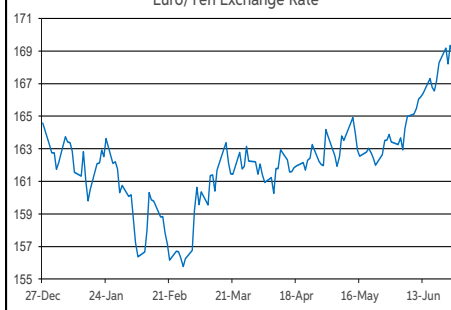
Dollar

USD/JPY	144.49
USD/CAD	1.3716
USD/CHF	0.8032
USD/CNY	7.1673
USD/BRL	5.5562
USD/RUB	78.25
USD/INR	85.776
AUD/USD	0.6527
NZD/USD	0.6047

Dollar/Yen Exchange Rate

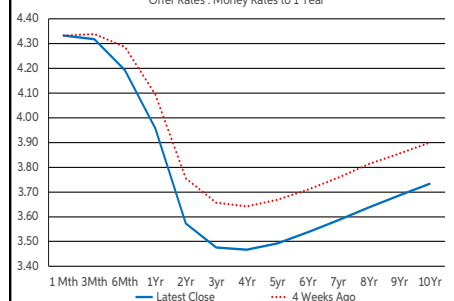


Euro/Yen Exchange Rate



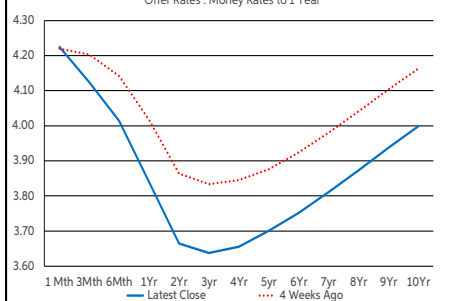
US Swap Curve

Offer Rates : Money Rates to 1 Year



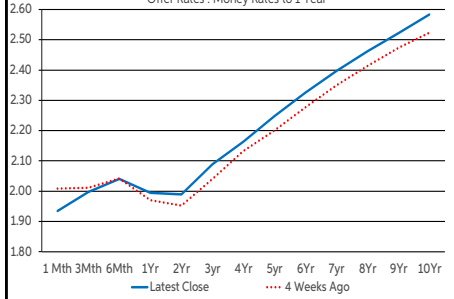
UK Swap Curve

Offer Rates : Money Rates to 1 Year

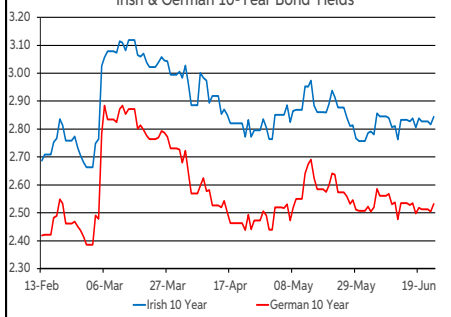


Eurozone Swap Curve

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	4.29	+0	-19	-28
Germany	2.56	+3	+1	+20
UK	4.48	+1	-25	-9
Ireland	2.90	+1	+4	+25
Belgium	3.12	+1	+4	+14
France	3.26	+1	+3	+6
Italy	3.51	+1	-5	-2
Spain	3.23	+2	+7	+16
Portugal	3.05	+3	+1	+20
Greece	3.33	+1	+3	+8
5 Year Swap %				
US	3.74	-1	-21	-55
Eurozone	2.24	+2	+5	+1
UK	3.94	-1	-21	-35
2 Year Swap %				
US	3.82	-2	-20	-52
Eurozone	1.99	+0	+4	-21
UK	3.89	-2	-23	-60
10 Year Government Bond Spreads to Benchmark bps				
Ireland	34	-2	+3	+5
Belgium	56	-2	+2	-6
France	70	-2	+2	-14
Italy	94	-2	-6	-21
Spain	67	-1	+6	-3
Portugal	49	+0	-1	+0
Greece	77	-2	+2	-12

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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