

EUR/USD still above \$1.17

The de-escalation of tensions between Israel and Iran provided a supportive backdrop for risk appetite last week. This was evidenced by a sharp drop in oil prices. Brent crude declined by over 10% on the week to back below \$68 per barrel. Meantime, equity markets moved higher on both sides of the Atlantic. The Euro Stoxx 50 rose by 1.8%, while the S&P 500 gained 3.4%, boosted by a rally in tech stocks.

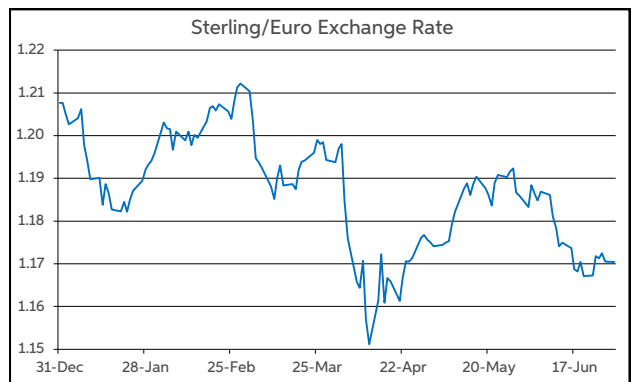
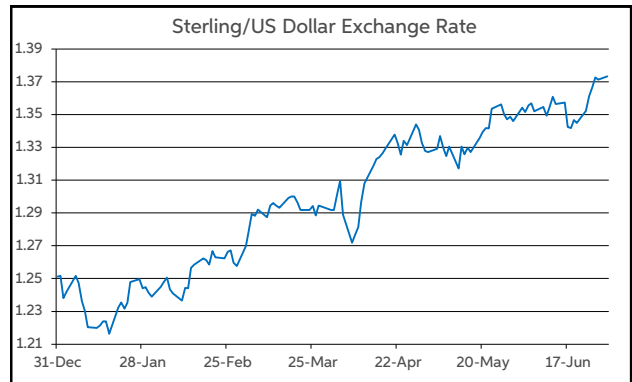
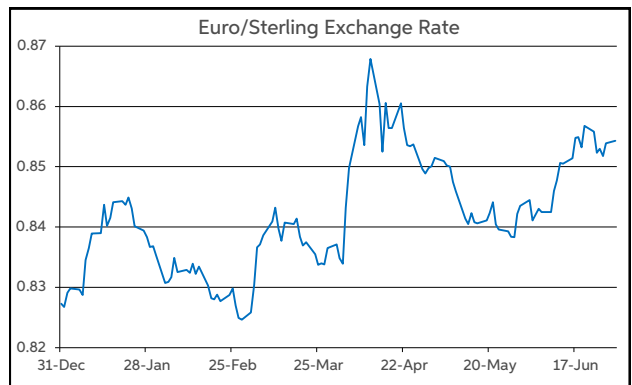
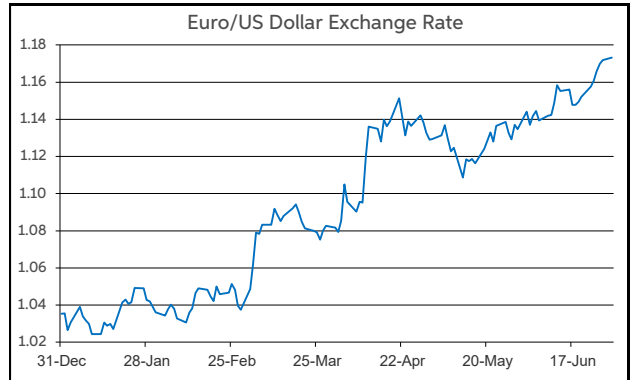
The rise in tech stocks was also supported by a softening in market rate expectations. Following some dovish remarks from a number of Fed officials over the past week, markets are now fully pricing in a 25bps rate cut in September, with a total of 65bps of policy easing now expected by year end. However, Chair Powell continued to emphasise a cautious approach to cutting rates in his testimony to both houses of Congress last week.

Currency-wise, the dollar was on the defensive as risk appetite improved last week. At the same time, the softening in US rate expectations and reports that President Trump may attempt to undermine Fed Chair Powell also weighed on the greenback. This saw the US currency decline by around 2% on the week versus the euro, yen and sterling.

In level terms, EUR/USD opens today up in the lower half of the \$1.17-1.18 range. GBP/USD is above the \$1.37 mark. USD/JPY is below ¥144. Elsewhere, EUR/GBP is near the midpoint of 85-86p.

Looking ahead, the main data highlight of a holiday shortened week in the US will be the labour market report for June. In the Eurozone, the flash reading of HICP inflation for June will feature, while the ECB Forum on Central banking will warrant attention, especially the panel discussion on Tuesday with the heads of the ECB, Fed, BoE, BoJ and BoK. Trade negotiations with the US and the Republicans efforts to pass legislation on tax cuts will also be in the spotlight.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1732	0.40	13.32
EUR/GBP	0.8543	0.33	3.26
GBP/USD	1.3732	0.07	9.76
GBP/EUR	1.1703	-0.33	-3.16
USD/JPY	143.85	-0.47	-8.48
EUR/JPY	168.81	-0.06	3.72

* 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	4.29	3.88	3.81	3.75
EUR	2.00	1.92	1.94	1.98	2.00	2.27
GBP	4.25	4.21	4.09	3.82	3.90	3.95

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

Monday 30 June 2025
06:45 am



Euro

EUR/GBP	0.8543
EUR/USD	1.1732
EUR/JPY	168.81
EUR/SEK	11.0985
EUR/DKK	7.4604
EUR/NOK	11.7811
EUR/CHF	0.9355
EUR/AUD	1.7908
EUR/HKD	9.2106
EUR/CAD	1.6025

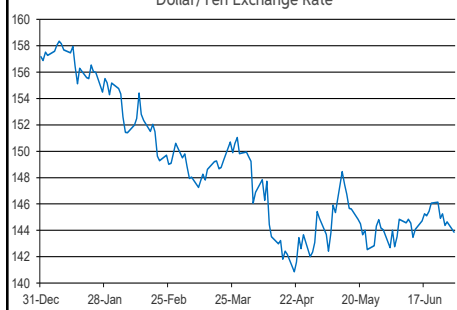
Sterling

GBP/EUR	1.1703
GBP/USD	1.3732
GBP/CAD	1.8755
GBP/NZD	2.2564
GBP/JPY	197.58
GBP/SEK	12.9895
GBP/DKK	8.7293
GBP/NOK	13.7844
GBP/CHF	1.0948
GBP/AUD	2.0958

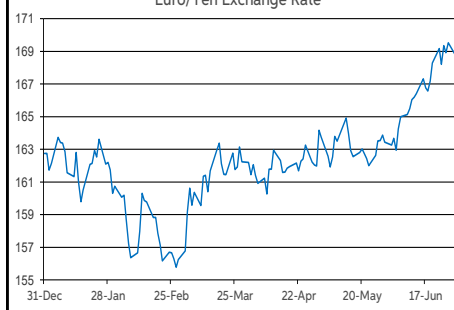
Dollar

USD/JPY	143.85
USD/CAD	1.3658
USD/CHF	0.7973
USD/CNY	7.1636
USD/BRL	5.4777
USD/RUB	78.6
USD/INR	85.535
AUD/USD	0.6549
NZD/USD	0.6082

Dollar/Yen Exchange Rate

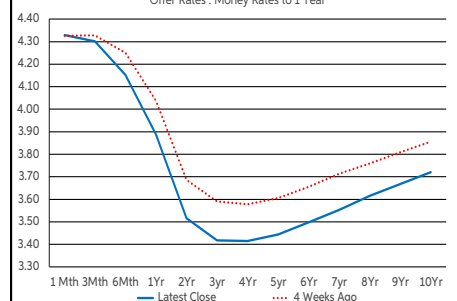


Euro/Yen Exchange Rate



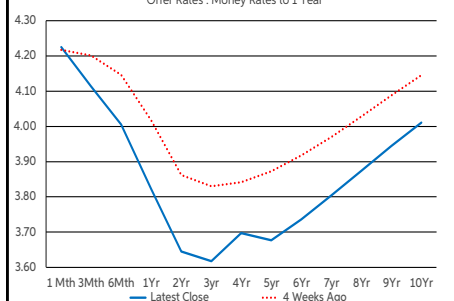
US Swap Curve

Offer Rates : Money Rates to 1 Year



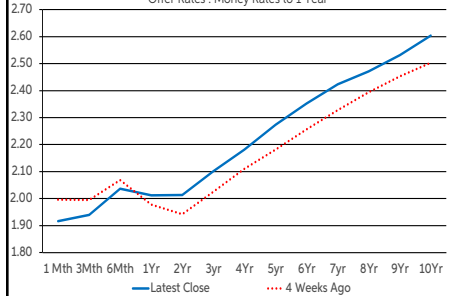
UK Swap Curve

Offer Rates : Money Rates to 1 Year

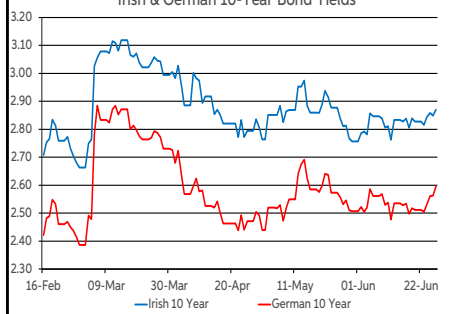


Eurozone Swap Curve

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	4.28	+3	-14	-29
Germany	2.60	+3	+9	+23
UK	4.50	+3	-15	-7
Ireland	2.91	+2	+11	+26
Belgium	3.15	+3	+12	+16
France	3.26	+2	+10	+7
Italy	3.50	+1	+0	-2
Spain	3.22	+1	+13	+16
Portugal	3.05	+1	+6	+20
Greece	3.32	+2	+4	+7
5 Year Swap %				
US	3.70	+3	-15	-59
Eurozone	2.24	+2	+7	+1
UK	3.90	-0	-20	-39
2 Year Swap %				
US	3.77	+2	-14	-56
Eurozone	1.99	+2	+5	-20
UK	3.86	+1	-20	-63
10 Year Government Bond Spreads to Benchmark bps				
Ireland	31	-1	+2	+3
Belgium	55	-0	+3	-7
France	67	-2	+1	-17
Italy	90	-2	-9	-26
Spain	63	-2	+4	-7
Portugal	45	-2	-3	-3
Greece	72	-1	-5	-17

Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	67.77	+0.06	+6.06	-9.20
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3273.0	-1.65	-0.49	+24.74

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