

## Euro edges lower overnight

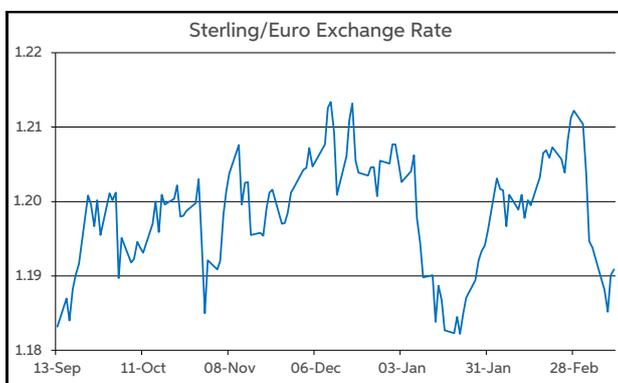
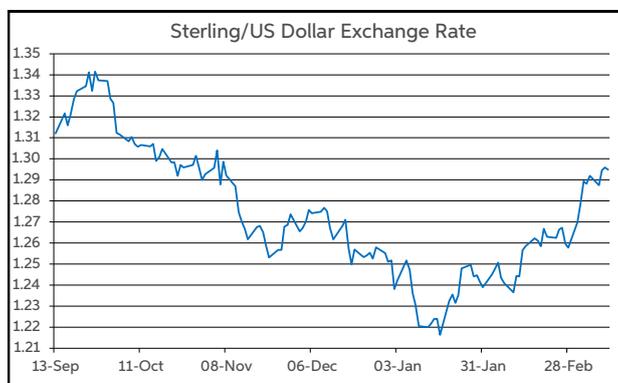
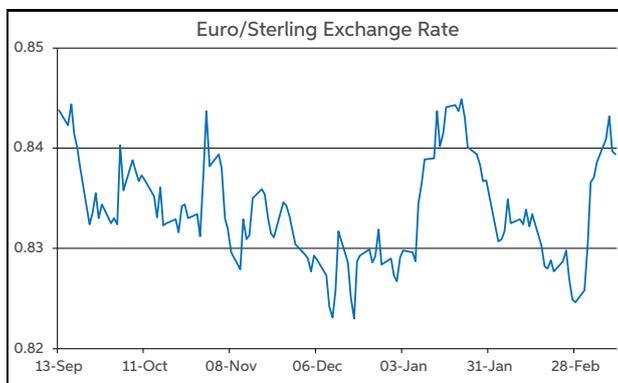
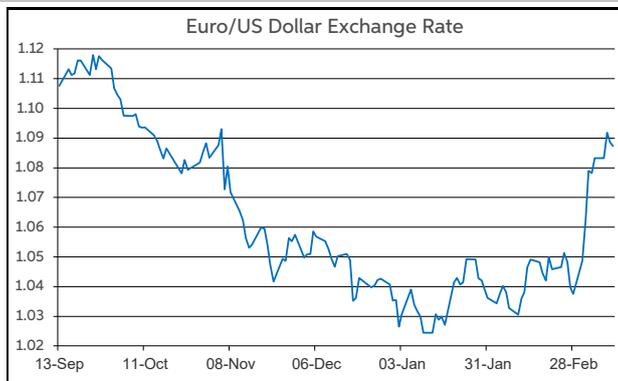
US Treasury yields rose by 3-6bps along the curve yesterday, as trade tariff uncertainty outweighed better than anticipated CPI inflation data. Both Canada and the EU placed retaliatory tariffs on certain US goods, as US tariffs on steel and aluminium imports took effect. Meantime, US CPI inflation eased to 2.8% in February (vs. +2.9% f'cast), while core-CPI slowed to 3.1% (vs. 3.2% f'cast).

Overall though, trading conditions were somewhat calmer across financial markets yesterday, amid a relatively quiet macro-calendar. In-line with US yields, UK Gilt yields rose by 1-5bps, although German Bunds were little changed. On equity markets, the Euro Stoxx 50 rose by 0.9%. Meantime, the S&P 500 registered a 0.5% gain.

On the currency front, the main FX pairs operated within narrow trading ranges yesterday. EUR/USD continued to straddle the \$1.09 handle, while all the action in GBP/USD was contained within the \$1.29-1.30 range. Meantime, EUR/GBP changed hands in the lower half of 84-85p throughout the European session. However, the euro edged lower overnight. This sees EUR/USD open today in the top half of \$1.08-1.09. EUR/GBP is just below 84p, and GBP/USD is at the midpoint of \$1.29-1.30.

Turning to the day ahead, the main release of note will be Eurozone industrial production for January. A 0.6% rebound in output is expected in the month, following a sharp 1.1% fall in December. This would mean industrial output was 1.1% lower in year-on-year terms at the start of 2025. In the US, PPI inflation (February) and the latest weekly jobless claims figures will be of interest. At the same time, markets are likely to remain reactive to tariff policy related newsflow.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates				
		% Change		
		Day *	End 2024	
EUR/USD	1.0873	-0.28	5.02	
EUR/GBP	0.8394	-0.43	1.46	
GBP/USD	1.2949	0.15	3.50	
GBP/EUR	1.1906	0.43	-1.44	
USD/JPY	147.67	-0.24	-6.05	
EUR/JPY	160.58	-0.53	-1.33	

\* 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	4.29	4.01	4.09	4.05
EUR	2.65	2.45	2.55	2.32	2.31	2.50
GBP	4.50	4.44	4.38	4.18	4.31	4.29

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

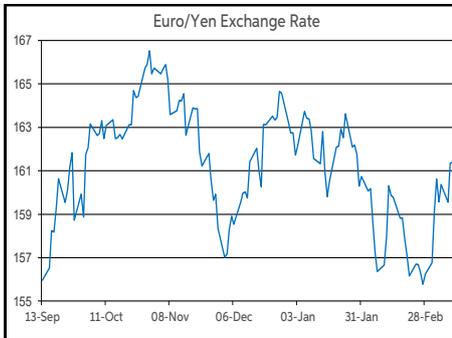
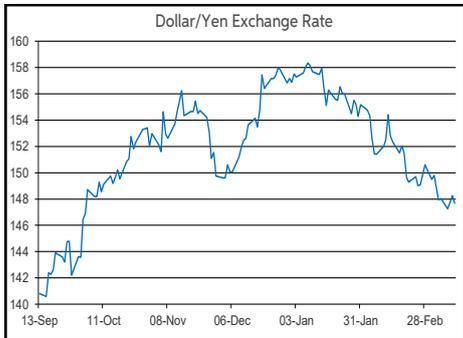
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

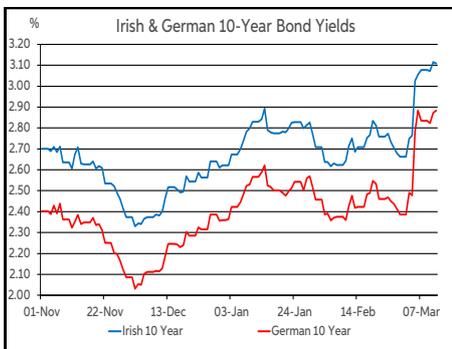
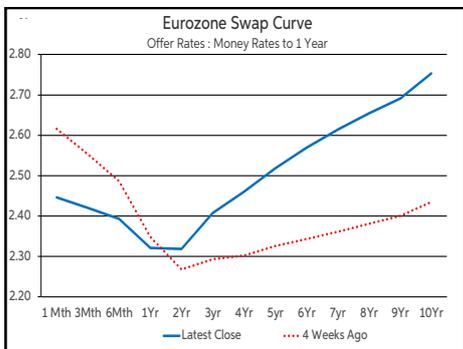
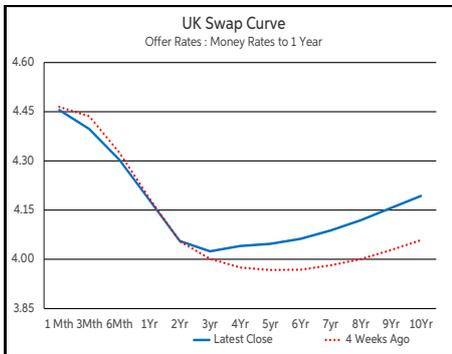
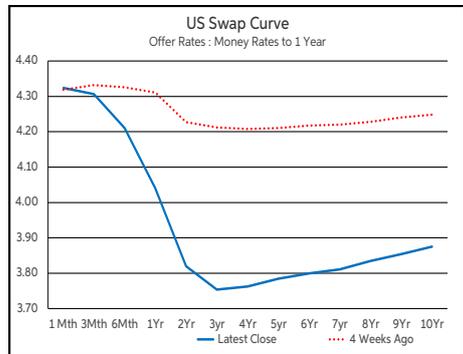
Thursday 13 March 2025  
06:42 am



Euro		Sterling		Dollar	
EUR/GBP	0.8394	GBP/EUR	1.1906	USD/JPY	147.67
EUR/USD	1.0873	GBP/USD	1.2949	USD/CAD	1.4401
EUR/JPY	160.58	GBP/CAD	1.8646	USD/CHF	0.8802
EUR/SEK	10.9848	GBP/NZD	2.267	USD/CNY	7.2392
EUR/DKK	7.459	GBP/JPY	191.2	USD/BRL	5.7989
EUR/NOK	11.5781	GBP/SEK	13.0811	USD/RUB	86.85
EUR/CHF	0.9573	GBP/DKK	8.8841	USD/INR	87.08
EUR/AUD	1.7271	GBP/NOK	13.7882	AUD/USD	0.6293
EUR/HKD	8.4504	GBP/CHF	1.1398	NZD/USD	0.571
EUR/CAD	1.5659	GBP/AUD	2.0568		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
<b>10 Year Yield %</b>				
US	4.32	+3	-32	-26
Germany	2.89	+2	+41	+53
UK	4.73	+5	+18	+15
<b>5 Year Swap %</b>				
US	4.02	+3	-43	-27
Eurozone	2.51	-2	+20	+28
UK	4.28	+7	+10	-0
<b>2 Year Swap %</b>				
US	4.07	+5	-40	-26
Eurozone	2.31	-1	+5	+12
UK	4.30	+6	+4	-19
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	25	-3	-5	-4
Belgium	54	-4	-4	-8
France	67	-5	-5	-16
Italy	105	-4	-3	-11
Spain	61	-4	-5	-9
Portugal	50	-4	-3	+1
Greece	84	-0	-4	-4



Commodities				
	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	70.95	+2.00	-5.63	-4.94
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2932.1	+0.55	+0.98	+11.75

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