

Range trading continues on currency markets

Investor sentiment soured yesterday, with equity markets falling on both sides of the Atlantic. The announcement of US tariffs on all imported cars overnight has done little to improve the mood. The Euro Stoxx 50 shed 1.2%, while the S&P 500 fell by 1.1%. In terms of fixed income, US Treasury yields rose by 2-3bps. In contrast, UK Gilt yields moved 3-6bps lower along the curve.

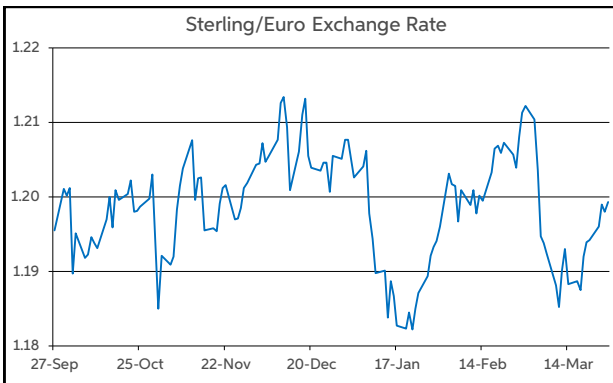
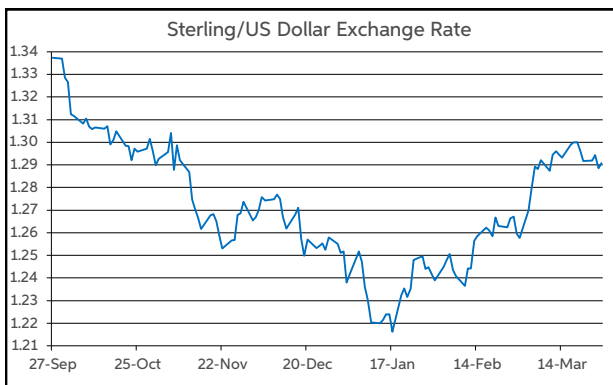
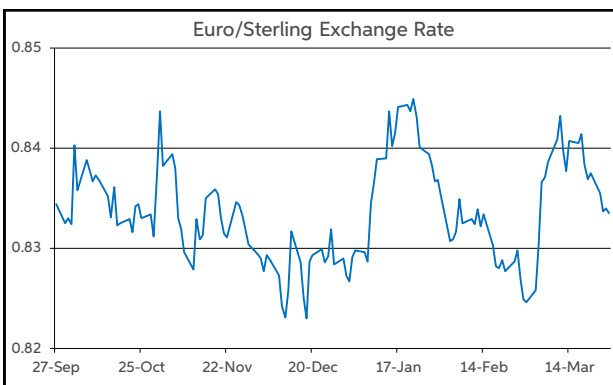
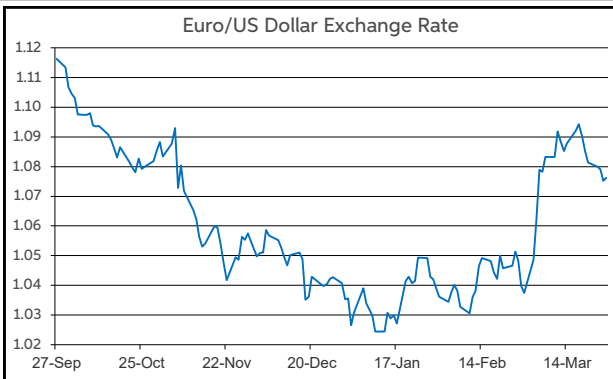
The fall in UK yields coincided with the UK spring statement. Chancellor Reeves announced plans to cut public spending and to raise some public service charges, in order to meet the self-imposed fiscal rules by the end of the OBR forecast horizon in 2029/30. However, it should be noted that the amount the UK is planning to borrow was revised higher for each year.

On the currency front, the main pairs continued to operate in narrow ranges yesterday. Of the limited action to note, the dollar was holding a slightly firmer tone. Elsewhere, sterling was under some downward pressure, albeit the pound recouped most of its losses overnight.

In level terms, the firmer tone to the dollar sees EUR/USD open this morning back nearer the midpoint of the \$1.07-1.08 corridor. EUR/GBP remains in the lower half of the 83-84p range. GBP/USD is changing hands just above the \$1.29 threshold.

Turning to the day ahead, the macro calendar is somewhat light. The Eurozone monetary statistics for February will be released. Meantime, in the US, the final reading of GDP is set to confirm that the economy expanded by 2.3% annualised in Q4. In terms of more timely updates, the latest weekly US initial jobless claims figures are due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0763	-0.20	3.96
EUR/GBP	0.8335	-0.04	0.75
GBP/USD	1.2908	-0.17	3.17
GBP/EUR	1.1992	0.04	-0.74
USD/JPY	150.56	0.06	-4.21
EUR/JPY	162.03	-0.15	-0.44

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
	Money Market			Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.38	4.32	4.29	4.05	4.15	4.09
EUR	2.65	2.35	2.37	2.27	2.23	2.45
GBP	4.50	4.45	4.37	4.20	4.33	4.31

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 27 March 2025
08:04 am



Euro

EUR/GBP	0.8335
EUR/USD	1.0763
EUR/JPY	162.03
EUR/SEK	10.8258
EUR/DKK	7.4603
EUR/NOK	11.3657
EUR/CHF	0.9512
EUR/AUD	1.7063
EUR/HKD	8.3687
EUR/CAD	1.5381

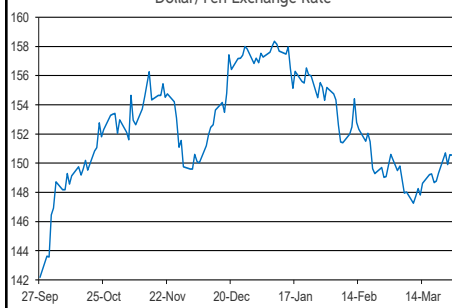
Sterling

GBP/EUR	1.1992
GBP/USD	1.2908
GBP/CAD	1.8444
GBP/NZD	2.2479
GBP/JPY	194.34
GBP/SEK	12.9739
GBP/DKK	8.9447
GBP/NOK	13.6236
GBP/CHF	1.1405
GBP/AUD	2.0456

Dollar

USD/JPY	150.56
USD/CAD	1.4293
USD/CHF	0.8839
USD/CNY	7.2646
USD/BRL	5.7347
USD/RUB	83.65
USD/INR	85.782
AUD/USD	0.6306
NZD/USD	0.5738

Dollar/Yen Exchange Rate

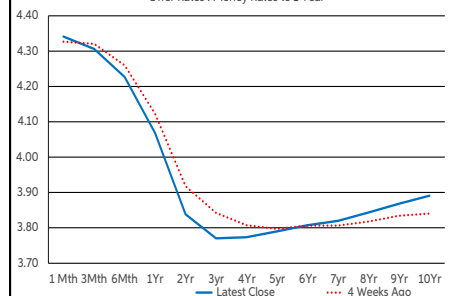


Euro/Yen Exchange Rate



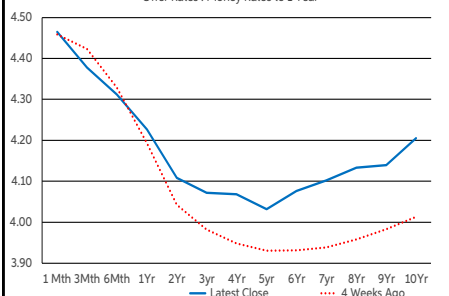
US Swap Curve

Offer Rates : Money Rates to 1 Year



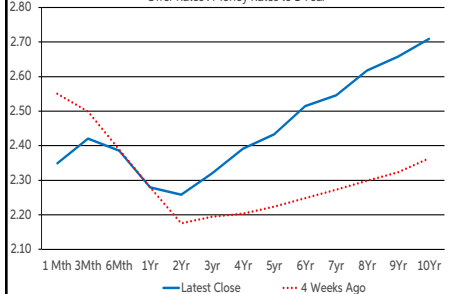
UK Swap Curve

Offer Rates : Money Rates to 1 Year

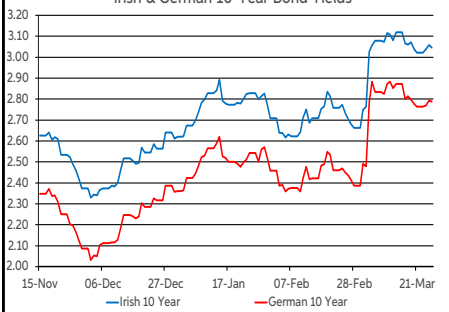


Eurozone Swap Curve

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	4.34	+3	+9	-24
Germany	2.79	-0	+35	+43
UK	4.73	-3	+23	+16
Ireland	3.09	-0	+37	+44
Belgium	3.33	-0	+32	+35
France	3.49	+1	+33	+29
Italy	3.89	+0	+41	+37
Spain	3.41	-0	+32	+35
Portugal	3.31	+0	+36	+46
Greece	3.64	-1	+34	+40
5 Year Swap %				
US	4.04	+1	-0	-25
Eurozone	2.43	-4	+22	+19
UK	4.31	-4	+13	+2
2 Year Swap %				
US	4.10	+0	-6	-24
Eurozone	2.25	-2	+8	+6
UK	4.32	-6	+6	-16
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	+0	+1	+1
Belgium	54	+0	-3	-8
France	70	+1	-2	-13
Italy	110	+1	+6	-5
Spain	62	+0	-3	-8
Portugal	52	+0	+1	+3
Greece	85	-0	-1	-3

Commodities

	Close	Day	4 Weeks	End 24
Brent Oil	73.79	+1.05	+1.74	-1.14
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3019.3	-0.02	+3.54	+15.07

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