

Flash PMIs are the main highlight this week

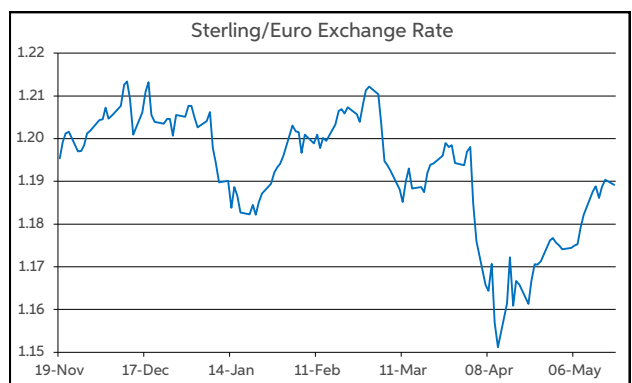
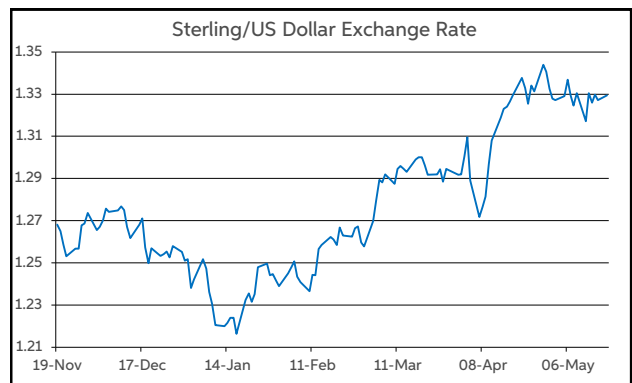
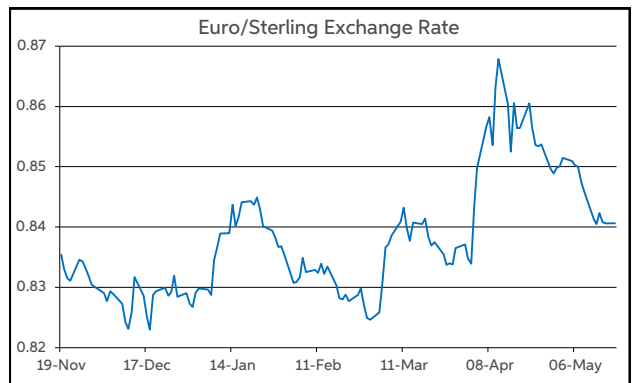
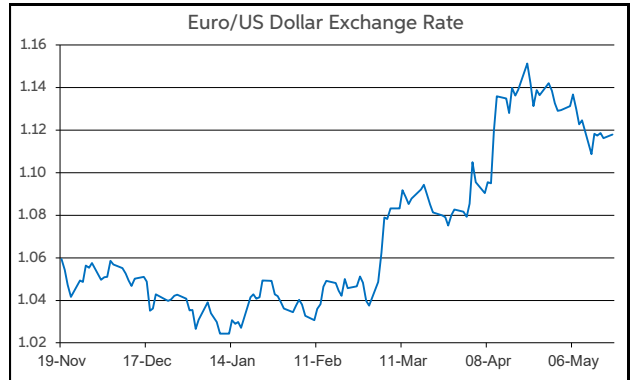
There was a positive mood on markets throughout last week, as investors digested news that the US and China agreed to reduce tariffs for an initial 90-day period. The US will lower tariffs on most Chinese imports to 30%, while China will cut the levy it applies to US goods to 10%. At the same time, a busy data schedule also provided a mostly supportive backdrop for risk appetite.

The “risk-on” tone to investor sentiment was reflected by the Euro Stoxx 50 rising by 2.2% last week. Meantime on Wall Street, the S&P 500 gained 5.3%. Elsewhere, market rate expectations firmed markedly in the initial aftermath of the positive outcome from US-China trade talks. This is evidenced by futures contracts currently pricing in around 50bps of policy easing between now and year-end in the US, UK, and Eurozone, compared to expectations previously for up to 75bps of cuts. The hardening in futures contributed to sovereign yields moving 5-10bps higher in the UK and Germany, as well as US Treasury yields rising by 5-15bps. A credit rating downgrade on Friday also impacted the latter.

On the currency front, the dollar was in the ascendancy amid the initial reaction to the US-China agreement. However, as the week progressed, the greenback handed back most of its gains and range trading took hold. As market's in Europe open this morning, EUR/USD is operating just below the \$1.12 mark. EUR/GBP remains just above the 84p handle. Meanwhile, GBP/USD is in and around the \$1.33 threshold. USD/JPY is in the lower half of the ¥145-146 band.

Turning to the week ahead, the main highlight will be the May reading of the flash PMIs for the main advanced economies. A slew of other survey data are also due in the Eurozone, along with the latest ECB monetary policy meeting account. Meantime, in the UK, a busy data calendar includes updates on inflation, retail sales and consumer confidence.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.118	-0.21	7.99
EUR/GBP	0.8406	-0.04	1.61
GBP/USD	1.3297	-0.14	6.28
GBP/EUR	1.1887	0.04	-1.58
USD/JPY	145.24	-0.05	-7.60
EUR/JPY	162.4	-0.23	-0.22

* 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	4.32	4.06	4.06	4.04
EUR	2.40	2.13	2.14	2.04	2.03	2.26
GBP	4.25	4.20	4.20	3.95	4.04	4.08

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 19 May 2025
06:38 am



Euro

EUR/GBP	0.8406
EUR/USD	1.118
EUR/JPY	162.4
EUR/SEK	10.9264
EUR/DKK	7.4612
EUR/NOK	11.6213
EUR/CHF	0.9349
EUR/AUD	1.7464
EUR/HKD	8.7429
EUR/CAD	1.5617

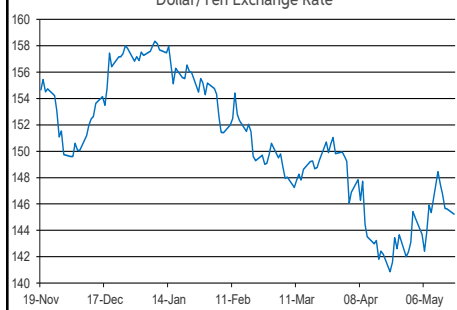
Sterling

GBP/EUR	1.1887
GBP/USD	1.3297
GBP/CAD	1.8571
GBP/NZD	2.2599
GBP/JPY	193.1
GBP/SEK	12.9911
GBP/DKK	8.8731
GBP/NOK	13.8212
GBP/CHF	1.1121
GBP/AUD	2.0767

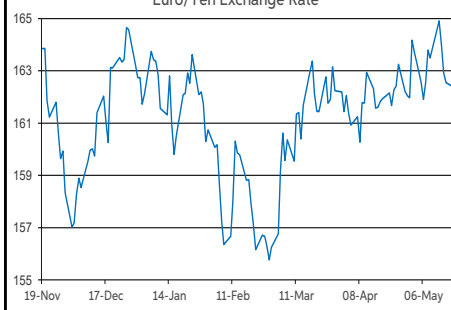
Dollar

USD/JPY	145.24
USD/CAD	1.3971
USD/CHF	0.8362
USD/CNY	7.201
USD/BRL	5.6817
USD/RUB	80.35
USD/INR	85.492
AUD/USD	0.6398
NZD/USD	0.5879

Dollar/Yen Exchange Rate

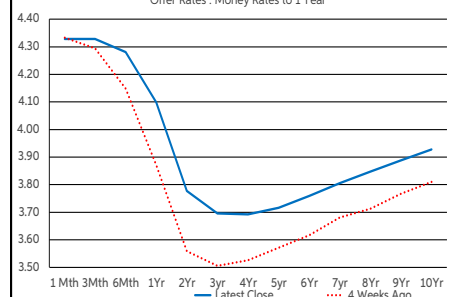


Euro/Yen Exchange Rate



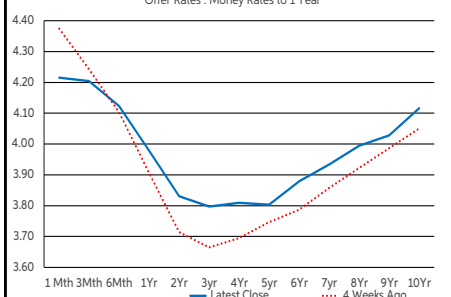
US Swap Curve

Offer Rates : Money Rates to 1 Year



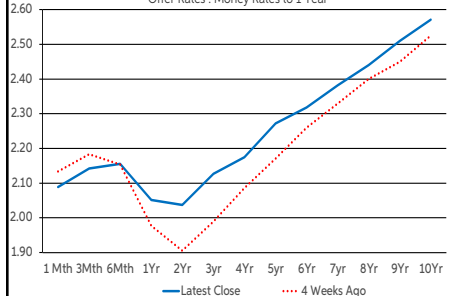
UK Swap Curve

Offer Rates : Money Rates to 1 Year

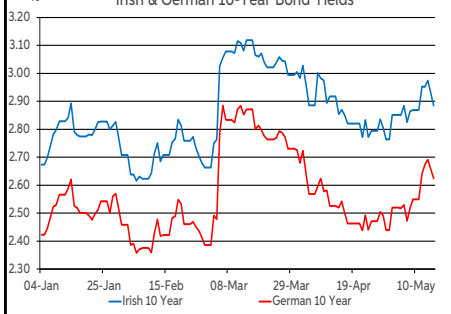


Eurozone Swap Curve

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	4.46	-7	+13	-12
Germany	2.63	-7	+16	+26
UK	4.66	-6	+9	+9
Ireland	2.91	-8	+8	+26
Belgium	3.16	-7	+8	+18
France	3.30	-9	+5	+10
Italy	3.64	-9	-1	+12
Spain	3.24	-8	+6	+17
Portugal	3.12	-7	+7	+27
Greece	3.44	-3	+5	+19
5 Year Swap %				
US	3.98	-8	+18	-31
Eurozone	2.25	-10	+8	+1
UK	4.06	-7	+7	-22
2 Year Swap %				
US	4.04	-4	+23	-30
Eurozone	2.01	-7	+11	-18
UK	4.05	-4	+9	-44
10 Year Government Bond Spreads to Benchmark bps				
Ireland	29	-1	-8	+0
Belgium	54	-1	-8	-8
France	67	-2	-11	-16
Italy	101	-2	-17	-15
Spain	61	-1	-10	-9
Portugal	50	-1	-9	+1
Greece	82	+4	-12	-7

Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	64.53	-2.36	-5.05	-13.55
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3239.8	+1.93	-2.64	+23.48

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