

Dollar under pressure

Despite a quiet macro calendar to kick-start the week, there was a cautious tone to investor sentiment yesterday. Both the Euro Stoxx 50 and the S&P 500 finished broadly flat for the day, as markets continued to digest a credit ratings downgrade for the US, announced late last Friday. However, the subdued performance also needs to be viewed in the context of the solid gains recorded last week (Euro Stoxx 50 up 2.2%, S&P 500 up 5.3%).

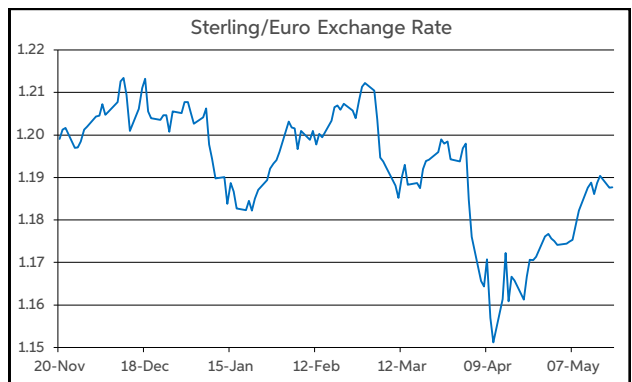
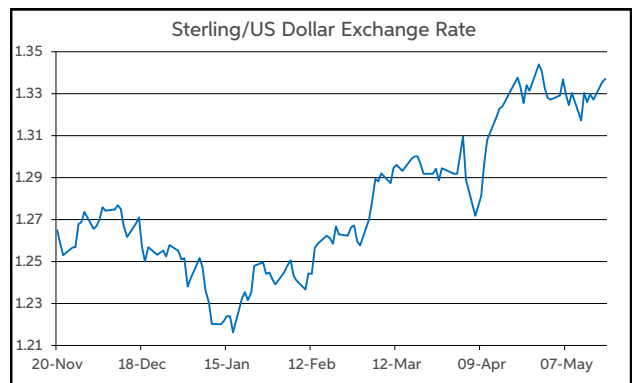
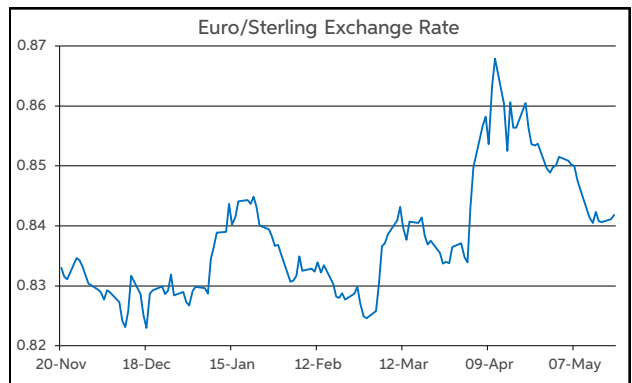
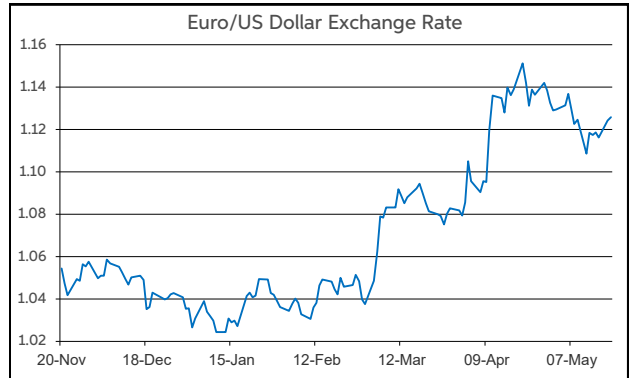
Elsewhere on bond markets, benchmark sovereign yields are little changed from 24 hours ago. US Treasury yields did initially move higher before the European open, in response to the US ratings downgrade. This saw the 30-year yield hit its highest level since November 2023, up above 5%. However yields reversed course and fell from their peaks as the day progressed.

Similarly, the dollar began the week under some downward pressure, albeit the greenback has bounced off its lows. At the same time, a “reset” in post-Brexit relations between the EU and UK also provided a supportive backdrop for the euro and sterling. However, the market impact from the announcement was limited. Overall the dollar fell by circa 0.6% against the euro, sterling and yen.

In level terms, the softer tone to the dollar sees EUR/USD open this morning just above the midpoint of \$1.12-1.13. Meanwhile, GBP/USD is up in the top half of the \$1.33-1.34 range. EUR/GBP remains in the lower half of the 84-85p corridor. Elsewhere, USD/JPY is back below the ¥145 threshold.

Turning to the day ahead, the data schedule is limited once again. The main release of note will be the flash reading of Eurozone consumer confidence for May. The consensus is for a marginal improvement to -16.0 from -16.7. In terms of monetary policy, remarks from a host of central bank officials will garner attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1258	0.68	8.74
EUR/GBP	0.8418	0.13	1.75
GBP/USD	1.337	0.55	6.87
GBP/EUR	1.1875	-0.13	-1.72
USD/JPY	144.42	-0.61	-8.12
EUR/JPY	162.61	0.06	-0.09

* 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	4.31	4.05	4.04	3.99
EUR	2.40	2.09	2.10	2.00	2.01	2.24
GBP	4.25	4.21	4.19	3.97	4.06	4.09

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

Tuesday 20 May 2025
07:45 am



Euro

EUR/GBP	0.8418
EUR/USD	1.1258
EUR/JPY	162.61
EUR/SEK	10.8682
EUR/DKK	7.4599
EUR/NOK	11.5714
EUR/CHF	0.938
EUR/AUD	1.7539
EUR/HKD	8.8089
EUR/CAD	1.5703

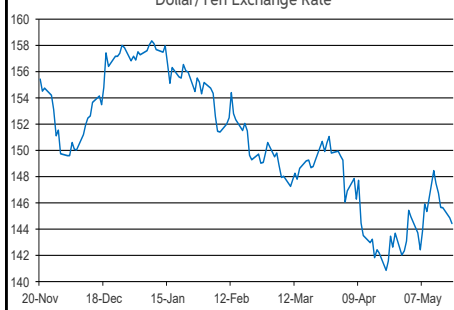
Sterling

GBP/EUR	1.1875
GBP/USD	1.337
GBP/CAD	1.8649
GBP/NZD	2.2578
GBP/JPY	193.09
GBP/SEK	12.9088
GBP/DKK	8.8605
GBP/NOK	13.7486
GBP/CHF	1.1139
GBP/AUD	2.0825

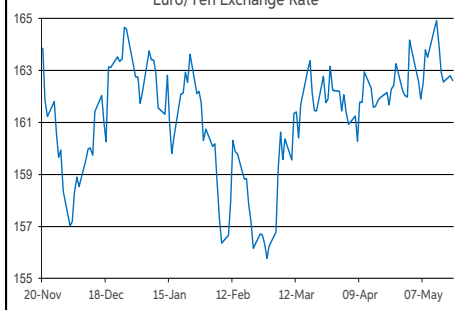
Dollar

USD/JPY	144.42
USD/CAD	1.395
USD/CHF	0.8333
USD/CNY	7.2202
USD/BRL	5.6457
USD/RUB	80
USD/INR	85.431
AUD/USD	0.6418
NZD/USD	0.5918

Dollar/Yen Exchange Rate

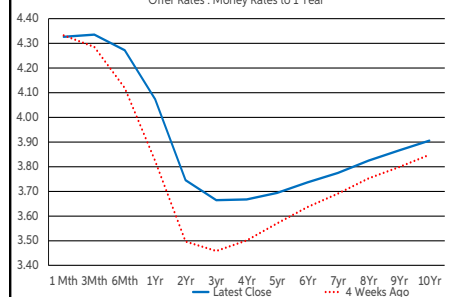


Euro/Yen Exchange Rate



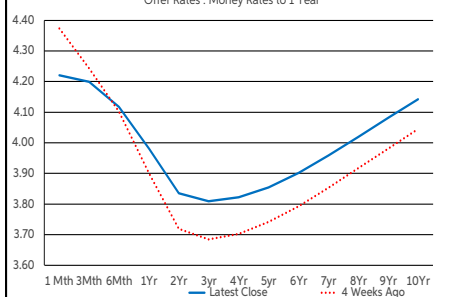
US Swap Curve

Offer Rates : Money Rates to 1 Year



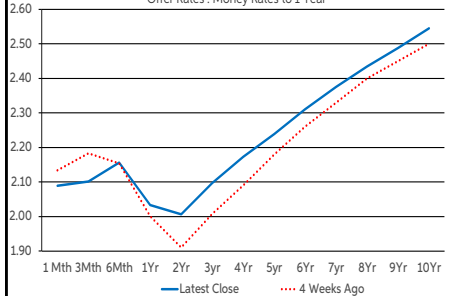
UK Swap Curve

Offer Rates : Money Rates to 1 Year

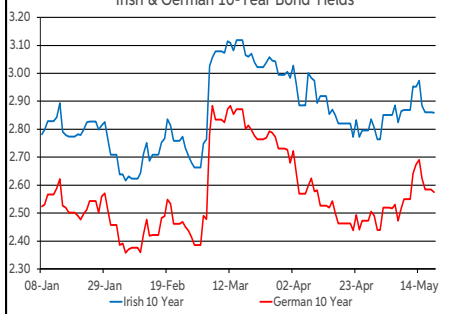


Eurozone Swap Curve

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	4.48	+4	+7	-10
Germany	2.58	-1	+11	+21
UK	4.67	+1	+9	+9
Ireland	2.89	-0	+5	+24
Belgium	3.11	-2	+3	+13
France	3.26	-1	+1	+6
Italy	3.61	-0	-4	+9
Spain	3.21	-1	+3	+14
Portugal	3.09	-1	+4	+24
Greece	3.38	+3	-1	+13
5 Year Swap %				
US	3.95	-5	+13	-34
Eurozone	2.24	-1	+6	-0
UK	4.09	+1	+13	-19
2 Year Swap %				
US	4.01	-3	+26	-32
Eurozone	2.00	-1	+10	-19
UK	4.06	+1	+12	-43
10 Year Government Bond Spreads to Benchmark bps				
Ireland	31	+1	-6	+2
Belgium	53	-1	-8	-9
France	68	+0	-10	-15
Italy	103	+1	-16	-13
Spain	63	+0	-8	-7
Portugal	51	-0	-8	+2
Greece	81	+3	-13	-8

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	65.54	+0.20	-1.09	-12.19
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3229.0	+0.83	-5.70	+23.06

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