

## All about tariffs today

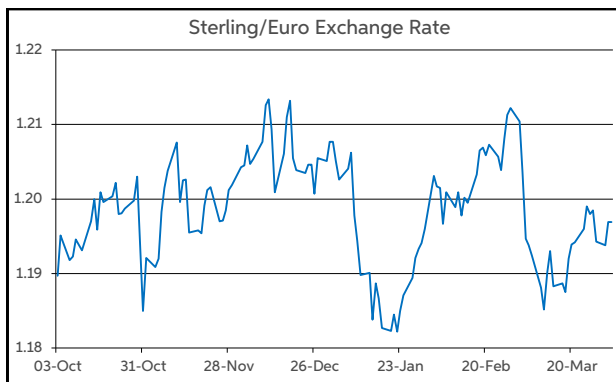
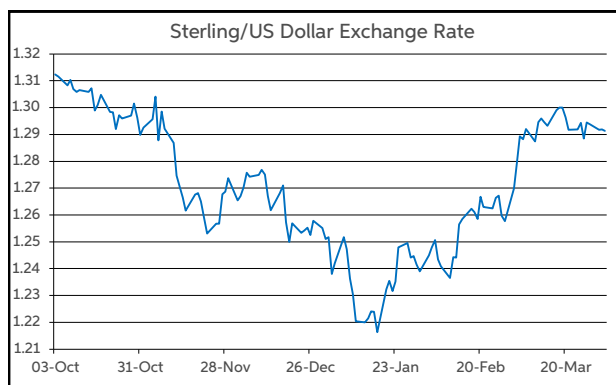
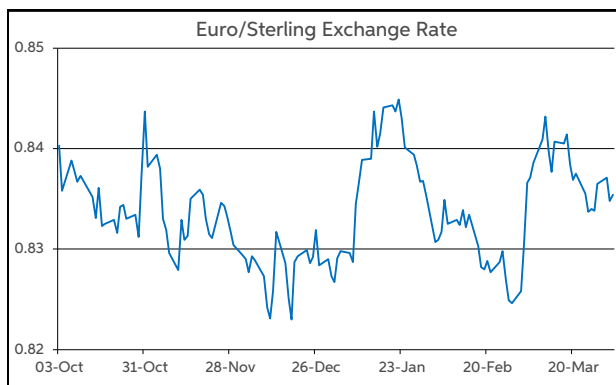
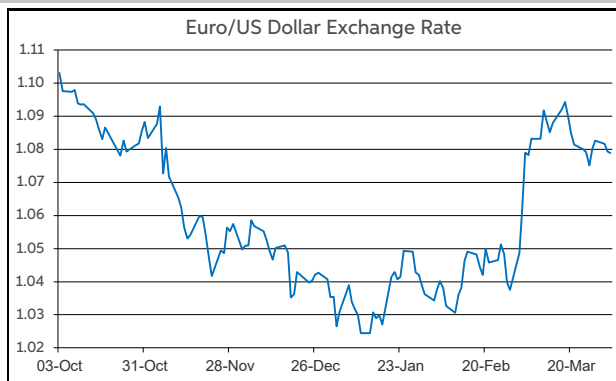
Investor sentiment was holding a positive tone yesterday on the first trading day of April, following a notably risk averse month of March. The main equity indices rose on both sides of the Atlantic. In Europe, the Euro Stoxx 50 was up 1.4% on the day. Meanwhile, at the closing bell on Wall Street last night, the global benchmark S&P 500 index registered a 0.4% gain.

Data-wise, the main Eurozone release yesterday was the flash reading of HICP inflation for March. The headline rate fell to 2.2%, in line with forecasts, while the core measure was slightly lower than expected at 2.4% (vs. f'cast for 2.5%). Encouragingly, services inflation dropped to 3.4%, its lowest level since June 2022. The data though had no directional impact on the euro. The highlight of Tuesday's US macro diary was the manufacturing ISM survey for March. The headline number moved back into contraction territory, printing at 49.0 (vs. 49.5 f'cast). The underlying details showed weakening activity and rising price pressures.

From a currency perspective, the majors started April within tight ranges. Of the limited action to occur, the dollar was marginally firmer. This is reflected in EUR/USD opening this morning back below the \$1.08 mark, while GBP/USD is operating nearer the \$1.29 level. Elsewhere, the action in EUR/GBP has remained confined to a narrow corridor around the midpoint of 83-84p.

Today, the focus is very much on the White House and President Trump's tariffs plan (after European close). This poses event risk for markets, including the dollar. However, while today will bring some detail on US trade policy, uncertainty will remain. A key aspect over the coming days/weeks will be the response/retaliatory measures from other countries/trading blocs.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0789	-0.33	4.21
EUR/GBP	0.8354	-0.13	0.98
GBP/USD	1.2913	-0.18	3.21
GBP/EUR	1.1966	0.13	-0.97
USD/JPY	149.87	0.21	-4.65
EUR/JPY	161.71	-0.12	-0.64

\* 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	4.28	3.97	4.03	3.93
EUR	2.65	2.36	2.34	2.23	2.18	2.38
GBP	4.50	4.45	4.34	4.16	4.26	4.22

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

Wednesday 02 April 2025  
06:49 am



## Euro

EUR/GBP	0.8354
EUR/USD	1.0789
EUR/JPY	161.71
EUR/SEK	10.803
EUR/DKK	7.4617
EUR/NOK	11.2809
EUR/CHF	0.9535
EUR/AUD	1.7136
EUR/HKD	8.3964
EUR/CAD	1.5441

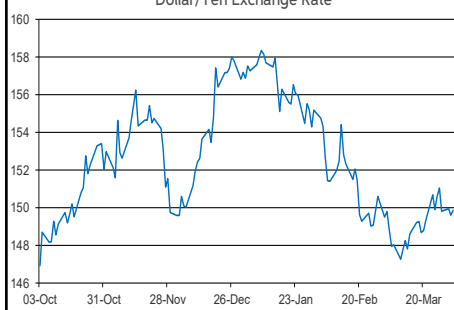
## Sterling

GBP/EUR	1.1966
GBP/USD	1.2913
GBP/CAD	1.8478
GBP/NZD	2.2563
GBP/JPY	193.53
GBP/SEK	12.9312
GBP/DKK	8.9292
GBP/NOK	13.5002
GBP/CHF	1.1411
GBP/AUD	2.0509

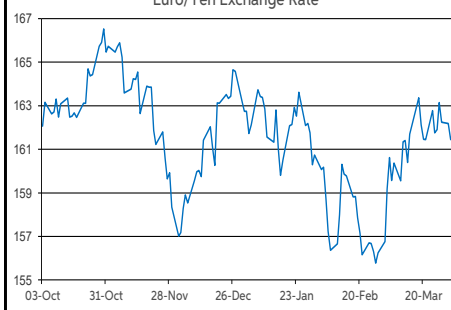
## Dollar

USD/JPY	149.87
USD/CAD	1.431
USD/CHF	0.8837
USD/CNY	7.27
USD/BRL	5.6815
USD/RUB	84.2
USD/INR	85.61
AUD/USD	0.6294
NZD/USD	0.5719

Dollar/Yen Exchange Rate

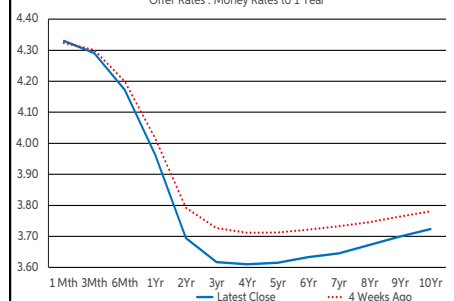


Euro/Yen Exchange Rate



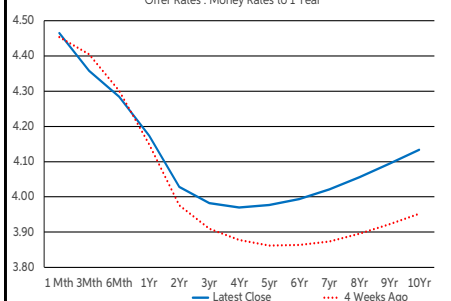
US Swap Curve

Offer Rates : Money Rates to 1 Year



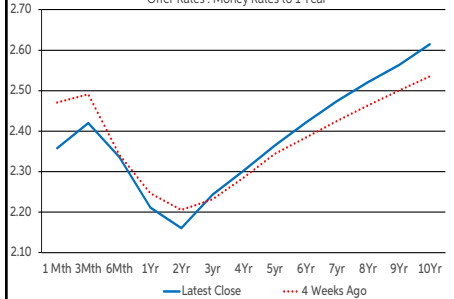
UK Swap Curve

Offer Rates : Money Rates to 1 Year

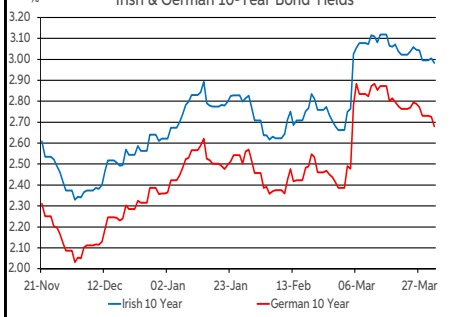


Eurozone Swap Curve

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	4.16	-9	-5	-42
Germany	2.68	-5	+20	+32
UK	4.64	-4	+10	+6
Ireland	3.00	-2	+23	+35
Belgium	3.25	-4	+17	+27
France	3.40	-5	+17	+20
Italy	3.79	-7	+22	+27
Spain	3.31	-5	+14	+25
Portugal	3.21	-6	+19	+36
Greece	3.52	-5	+17	+27
5 Year Swap %				
US	3.87	-2	-10	-42
Eurozone	2.36	-5	+3	+12
UK	4.21	-2	+6	-7
2 Year Swap %				
US	3.96	-1	-7	-37
Eurozone	2.15	-4	-4	-4
UK	4.26	-1	+1	-23
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	+2	+3	+4
Belgium	57	+0	-3	-5
France	72	-0	-3	-12
Italy	111	-2	+2	-5
Spain	63	-0	-6	-7
Portugal	53	-1	-1	+4
Greece	84	-1	-3	-5

## Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	74.49	-0.33	+4.86	-0.20
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3110.6	-0.40	+6.62	+18.55

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