

Dollar plunges following US tariff announcement

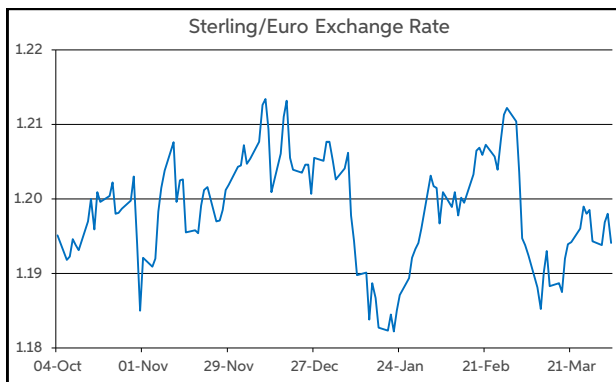
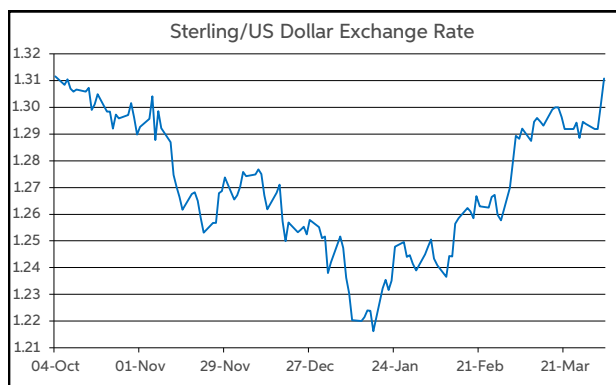
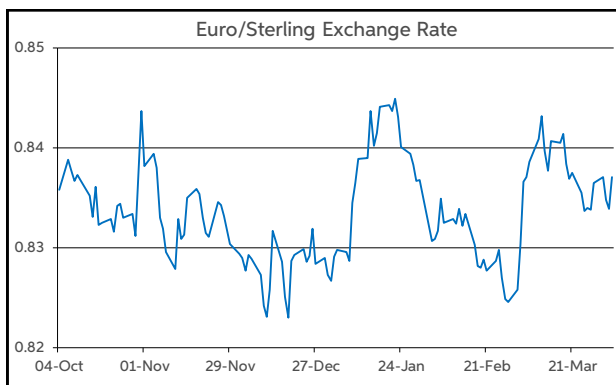
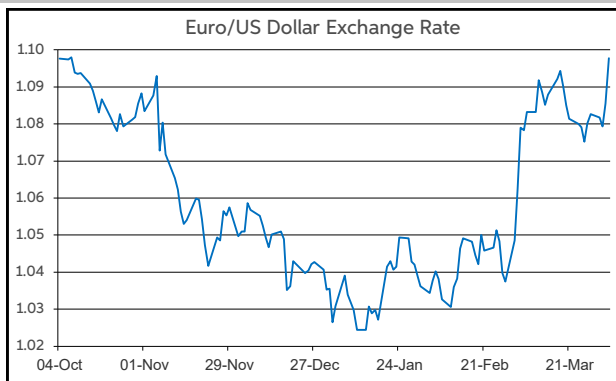
Trading conditions were relatively calm throughout the European session yesterday, as investors braced for the announcement of further tariffs by the Trump administration. A sparse data calendar also contributed to the malaise on markets. Against this backdrop, the main FX pairs continued to operate in narrow trading ranges, albeit the dollar was under some downward pressure.

After the European and US close, President Trump revealed the aforementioned tariff measures. The measures are both broader and stronger than many anticipated. A 10% universal tariff rate was introduced as well as a number of other country specific rates. The EU now faces a 20% tariff rate on its exports to the US, the UK a rate of just 10%, while Chinese goods will now have a 34% tariff rate applied to them. However, there seems to be a carve out for goods being imported from certain industries, including pharma, meaning they won't have the higher rate applied to them, for now.

In the aftermath of the announcement, the dollar's woes amplified. Overall, the greenback has shed over 1.5% versus the euro, sterling and yen since yesterday's European open. This is evidenced by EUR/USD changing hands up in the top half of \$1.09-1.10, a new year-to-date high. GBP/USD is north of the \$1.31 mark. Meantime USD/JPY is down near the ¥147 threshold. EUR/GBP is operating in the top half of the 83-84p band.

Turning to the day ahead, markets will continue to digest the US tariff newsflow, and they will be highly reactive to any retaliatory measures announced in response. On the monetary policy front, the ECB meeting account minutes from March will be released. Data-wise, the US non-manufacturing ISM (March) and the latest weekly initial jobless claims figures are due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0978	1.72	6.04
EUR/GBP	0.8371	0.23	1.18
GBP/USD	1.3107	1.47	4.76
GBP/EUR	1.194	-0.23	-1.17
USD/JPY	147.11	-1.85	-6.41
EUR/JPY	161.5	-0.18	-0.77

* 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	4.26	3.91	3.92	3.78
EUR	2.65	2.35	2.32	2.16	2.11	2.32
GBP	4.50	4.45	4.34	4.12	4.19	4.19

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 03 April 2025
07:42 am



Euro

EUR/GBP	0.8371
EUR/USD	1.0978
EUR/JPY	161.5
EUR/SEK	10.7163
EUR/DKK	7.4602
EUR/NOK	11.341
EUR/CHF	0.9558
EUR/AUD	1.7409
EUR/HKD	8.5416
EUR/CAD	1.5568

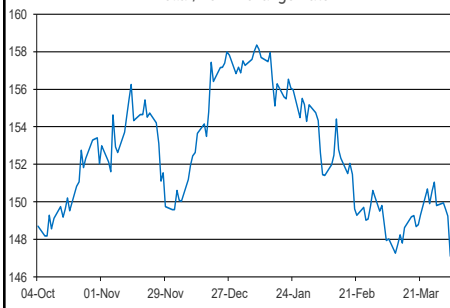
Sterling

GBP/EUR	1.194
GBP/USD	1.3107
GBP/CAD	1.8588
GBP/NZD	2.2693
GBP/JPY	192.82
GBP/SEK	12.7886
GBP/DKK	8.9088
GBP/NOK	13.532
GBP/CHF	1.1411
GBP/AUD	2.0779

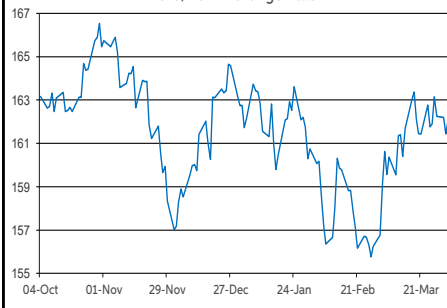
Dollar

USD/JPY	147.11
USD/CAD	1.4184
USD/CHF	0.8706
USD/CNY	7.2962
USD/BRL	5.6652
USD/RUB	84.35
USD/INR	85.556
AUD/USD	0.6304
NZD/USD	0.5771

Dollar/Yen Exchange Rate

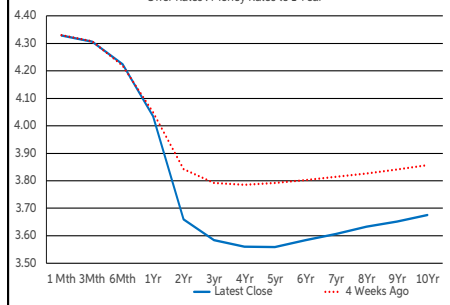


Euro/Yen Exchange Rate



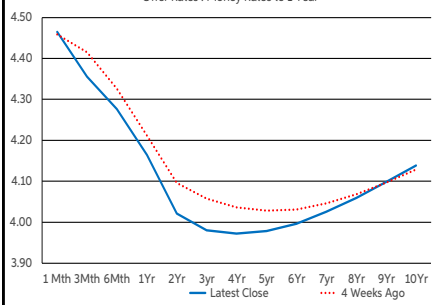
US Swap Curve

Offer Rates : Money Rates to 1 Year



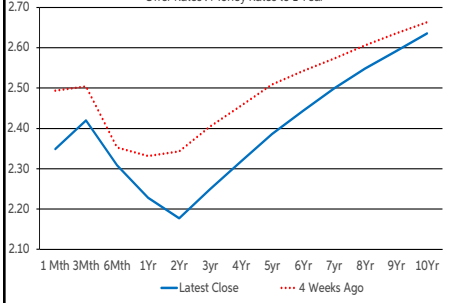
UK Swap Curve

Offer Rates : Money Rates to 1 Year

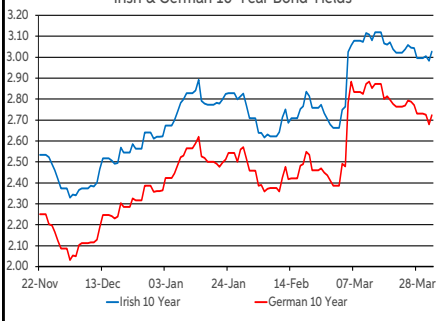


Eurozone Swap Curve

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	4.20	+4	-7	-38
Germany	2.73	+4	-6	+36
UK	4.64	+1	-3	+7
Ireland	3.05	+4	-2	+40
Belgium	3.29	+4	-6	+30
France	3.42	+2	-6	+23
Italy	3.82	+3	-3	+30
Spain	3.34	+3	-10	+28
Portugal	3.25	+4	-5	+40
Greece	3.53	+0	-9	+28
5 Year Swap %				
US	3.79	-9	-27	-50
Eurozone	2.38	+2	-12	+15
UK	4.22	+0	-6	-7
2 Year Swap %				
US	3.95	-1	-15	-38
Eurozone	2.17	+2	-16	-2
UK	4.25	-1	-8	-24
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	+0	+4	+4
Belgium	56	-1	+0	-6
France	70	-2	-1	-13
Italy	109	-2	+3	-7
Spain	62	-2	-4	-9
Portugal	52	-0	+1	+4
Greece	80	-4	-3	-9

Commodities

	Close	Day	4 Weeks	End 24
Brent Oil	74.95	+0.62	+8.15	+0.42
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3133.6	+0.74	+7.36	+19.43

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