

## Will US payrolls add to the dollars pain?

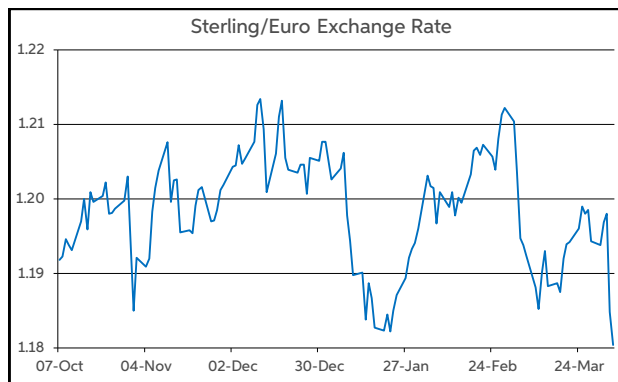
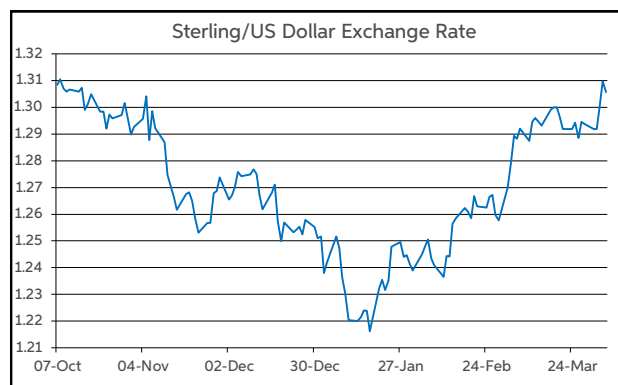
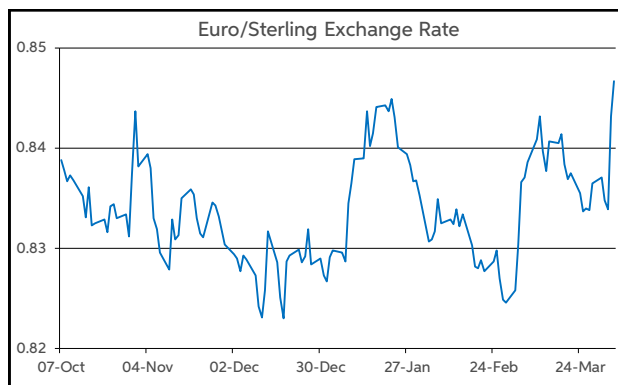
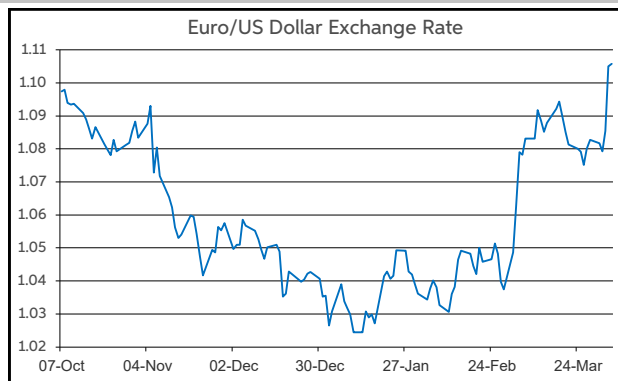
There was a severe risk-off tone on markets yesterday, as investors continued to digest the announcement of sweeping US tariffs. Equity markets plunged, sovereign yields fell, rate expectations softened markedly, and the price of oil declined. At the same time, the dollar was under significant pressure, and traditional safe-havens, such as the yen and Swiss franc strengthened.

Overall, the Euro Stoxx 50 shed 3.6% yesterday, while on Wall Street, the S&P 500 finished the day down by 4.8%. In terms of fixed income, German Bund yields fell by 5-12bps yesterday. Meanwhile, US Treasury and UK Gilt yields declined by 3-15bps, led lower by the short-end of the curve. The move lower at the front-end coincided with the aforementioned softening in market rate expectations. Pricing now suggests that the BoE may cut rates up to 3 times before year-end, with the Fed easing policy by up to four times over the same period. Furthermore, Brent crude oil prices dropped to circa \$70 per barrel.

Currency-wise, amid volatile trading conditions, the euro and sterling registered new year-to-date highs versus the dollar, at \$1.1144 and \$1.3207, respectively. However, the greenback recouped some of its losses overnight. This is reflected by EUR/USD opening this morning at the midpoint of \$1.10-1.11. GBP/USD is at the halfway mark of \$1.30-1.31. Meantime, EUR/GBP is operating in the top half of 84-85p, amid the more significant softening in UK interest rate futures compared to Eurozone rates.

Today, markets will remain highly reactive to any retaliatory measures to US tariffs. In terms of the key data releases, the US labour market report for March is due. The consensus is payrolls to rise by 135k. Remarks from Fed Chair Powell will also be in focus.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1059	1.40	6.82
EUR/GBP	0.8468	1.43	2.36
GBP/USD	1.3055	-0.02	4.35
GBP/EUR	1.1803	-1.41	-2.30
USD/JPY	146.08	-1.00	-7.06
EUR/JPY	161.57	0.40	-0.73

\* 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	4.23	3.77	3.74	3.66
EUR	2.65	2.36	2.36	2.13	2.06	2.26
GBP	4.50	4.44	4.31	3.99	4.04	4.02

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

Friday 04 April 2025  
07:54 am



## Euro

EUR/GBP	0.8468
EUR/USD	1.1059
EUR/JPY	161.57
EUR/SEK	10.8619
EUR/DKK	7.4616
EUR/NOK	11.4873
EUR/CHF	0.9458
EUR/AUD	1.7725
EUR/HKD	8.598
EUR/CAD	1.5609

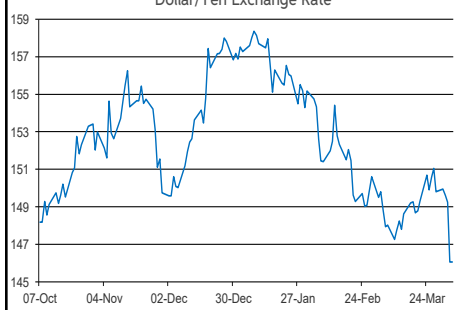
## Sterling

GBP/EUR	1.1803
GBP/USD	1.3055
GBP/CAD	1.8424
GBP/NZD	2.2836
GBP/JPY	190.69
GBP/SEK	12.8232
GBP/DKK	8.8085
GBP/NOK	13.5613
GBP/CHF	1.1163
GBP/AUD	2.0926

## Dollar

USD/JPY	146.08
USD/CAD	1.4114
USD/CHF	0.8551
USD/CNY	7.2813
USD/BRL	5.6321
USD/RUB	84.25
USD/INR	85.183
AUD/USD	0.6236
NZD/USD	0.5715

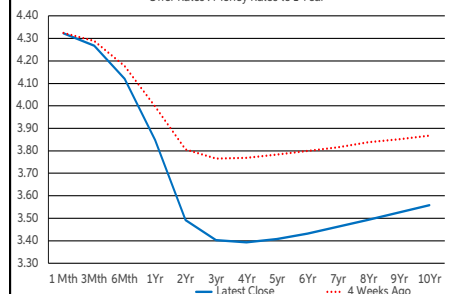
Dollar/Yen Exchange Rate



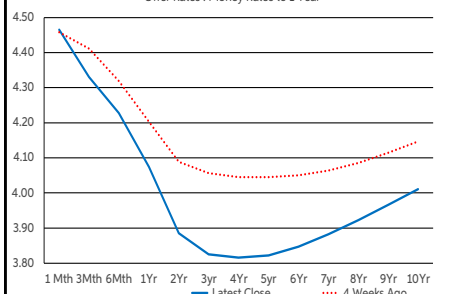
Euro/Yen Exchange Rate



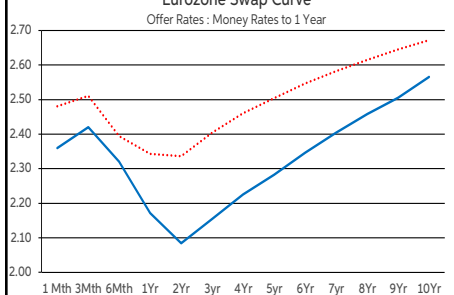
US Swap Curve  
Offer Rates : Money Rates to 1 Year



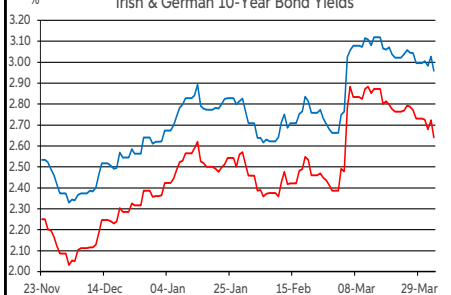
UK Swap Curve  
Offer Rates : Money Rates to 1 Year



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	4.06	-14	-23	-52
Germany	2.64	-8	-24	+28
UK	4.52	-12	-15	-5
Ireland	3.05	+4	-6	+40
Belgium	3.21	-7	-23	+23
France	3.37	-5	-20	+18
Italy	3.77	-5	-16	+25
Spain	3.30	-4	-22	+23
Portugal	3.25	+4	-16	+40
Greece	3.50	-2	-26	+25
5 Year Swap %				
US	3.69	-16	-34	-60
Eurozone	2.28	-10	-22	+4
UK	4.06	-15	-19	-22
2 Year Swap %				
US	3.76	-17	-30	-58
Eurozone	2.08	-10	-25	-11
UK	4.12	-13	-19	-37
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	+13	+19	+12
Belgium	57	+1	+1	-5
France	73	+3	+5	-10
Italy	113	+4	+8	-3
Spain	66	+4	+2	-4
Portugal	61	+13	+9	+12
Greece	86	+6	-1	-3

## Commodities

	Close	Day	4 Weeks	End 24
Brent Oil				
Brent Oil	70.14	-6.42	+0.98	-6.03
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3112.8	-0.66	+6.97	+18.64

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