

Dollar recovers some of its losses

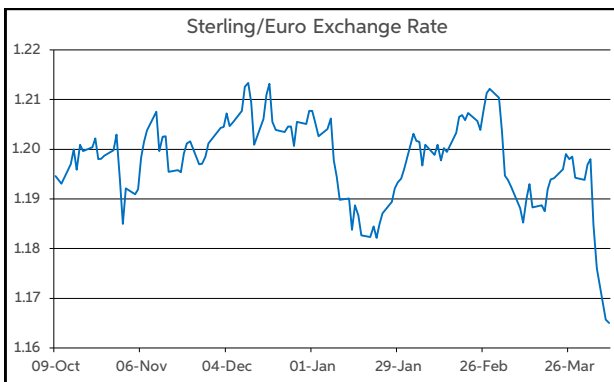
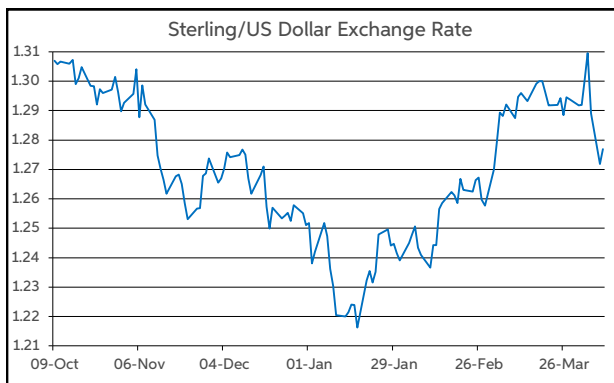
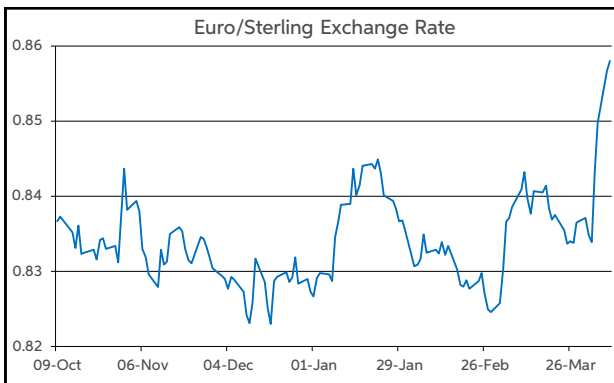
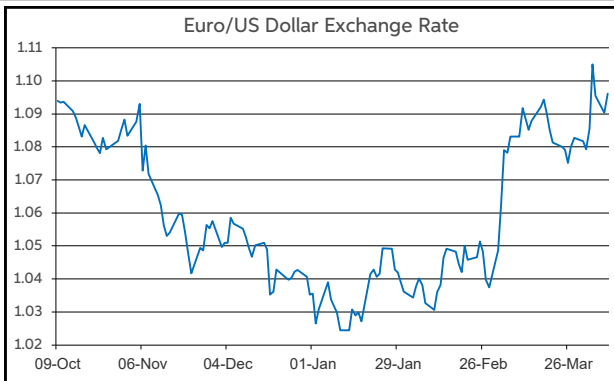
The risk-off tone to investor sentiment from last week carried through to yesterday, as investors continued to digest the potential impact of the US tariffs. Trading conditions were also quite volatile, amid on-going tariff related headlines. Most notably, the White House quashed a report that it is considering a 90-day pause on the tariffs, and stated that it will impose additional tariffs on China, if it does not withdraw retaliatory levies on US goods.

Against this backdrop, the Euro Stoxx 50 shed 4.5% yesterday. However, the S&P 500 fell by a modest 0.2%. On bond markets, US Treasury yields moved sharply higher, rising by 15-25bps. The move coincided with a marked firming in US interest rate futures. Current pricing is for circa 95bps of easing this year, compared to 120bps previously. UK Gilt and German Bund yields also moved higher, albeit not to the same extent, owing partly to a less aggressive hardening in euro/sterling rates. It should be noted though, that Asian equity indices rebounded somewhat overnight.

Currency-wise, the dollar recouped some of its losses from last week. Meantime, sterling was on the defensive, while the yen and Swiss franc moved back from their recent highs. In level terms, this sees EUR/USD open this morning in the top half of \$1.09-1.10, having started the week above \$1.10. GBP/USD is operating down in the \$1.27-1.28 corridor. Elsewhere, EUR/GBP is in the top half of 85-86p. USD/JPY is above the midpoint of ¥147-148.

Turning to the day ahead, tariff related news flow will continue to be front and centre on markets. Data-wise, the only release of note will be US small business optimism for March. Meanwhile, on the monetary policy front, speeches from a number of ECB, Fed and BoE officials will garner some attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0962	-0.21	5.88
EUR/GBP	0.858	0.80	3.71
GBP/USD	1.2769	-1.03	2.06
GBP/EUR	1.1646	-0.79	-3.58
USD/JPY	147.65	1.21	-6.06
EUR/JPY	161.88	1.01	-0.53

* 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	4.22	3.77	3.77	3.72
EUR	2.65	2.34	2.32	2.11	2.04	2.31
GBP	4.50	4.43	4.27	4.00	4.08	4.09

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

Tuesday 08 April 2025
06:24 am



Euro

EUR/GBP	0.858
EUR/USD	1.0962
EUR/JPY	161.88
EUR/SEK	10.9442
EUR/DKK	7.4662
EUR/NOK	11.9085
EUR/CHF	0.9398
EUR/AUD	1.8121
EUR/HKD	8.5194
EUR/CAD	1.5534

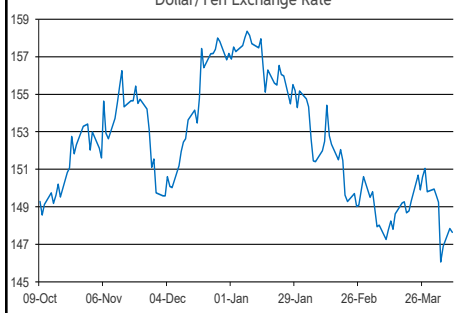
Sterling

GBP/EUR	1.1646
GBP/USD	1.2769
GBP/CAD	1.8092
GBP/NZD	2.2814
GBP/JPY	188.53
GBP/SEK	12.751
GBP/DKK	8.6964
GBP/NOK	13.874
GBP/CHF	1.0952
GBP/AUD	2.1102

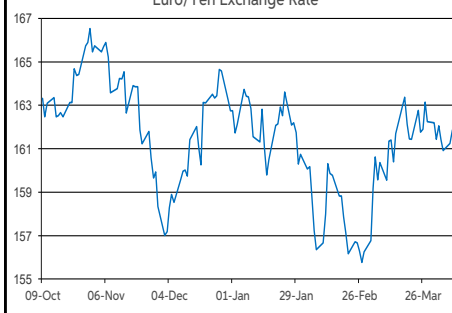
Dollar

USD/JPY	147.65
USD/CAD	1.4168
USD/CHF	0.8572
USD/CNY	7.3305
USD/BRL	5.915
USD/RUB	85.8
USD/INR	85.869
AUD/USD	0.6047
NZD/USD	0.5592

Dollar/Yen Exchange Rate

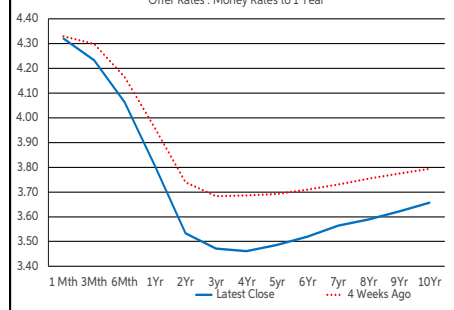


Euro/Yen Exchange Rate



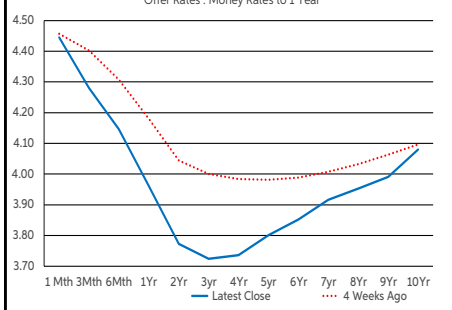
US Swap Curve

Offer Rates : Money Rates to 1 Year



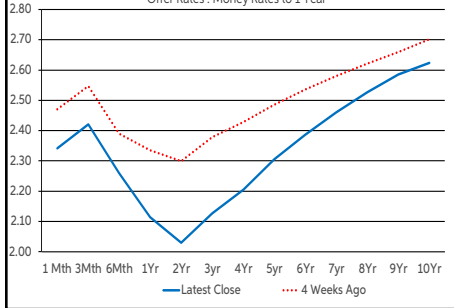
UK Swap Curve

Offer Rates : Money Rates to 1 Year

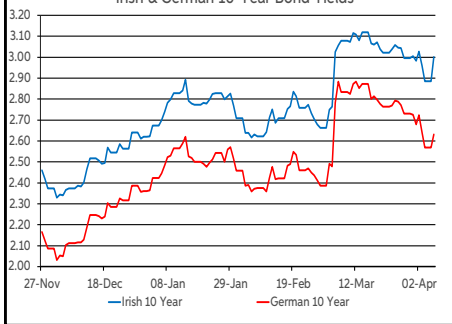


Eurozone Swap Curve

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	4.16	+17	-6	-42
Germany	2.64	+7	-18	+28
UK	4.63	+18	-2	+5
Ireland	2.94	-5	-16	+29
Belgium	3.22	+3	-17	+24
France	3.40	+7	-14	+21
Italy	3.87	+10	-5	+34
Spain	3.35	+8	-14	+28
Portugal	3.24	+7	-13	+39
Greece	3.52	+4	-15	+27
5 Year Swap %				
US	3.74	+13	-18	-55
Eurozone	2.30	+4	-17	+7
UK	4.09	+12	-13	-20
2 Year Swap %				
US	3.75	+7	-21	-58
Eurozone	2.03	-3	-26	-17
UK	4.08	+4	-19	-41
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	-13	+2	+1
Belgium	58	-4	+2	-4
France	76	+0	+4	-7
Italy	122	+3	+14	+7
Spain	70	+1	+4	+0
Portugal	60	-0	+6	+11
Greece	88	-3	+3	-1

Commodities

	Close	Day	4 Weeks	End 24
Brent Oil				
Brent Oil	64.21	-2.09	-7.32	-13.97
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2982.5	-1.80	+3.22	+13.67

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