

ECB policy decision in focus today

The cautious tone to investor sentiment persisted yesterday, following remarks by Fed officials, as well as the release of mixed US data and corporate earnings reports in Europe. Overall, this saw the Euro Stoxx 50 edge 0.1% lower on the day. Meantime, the S&P 500 finished the day down by 2.2%.

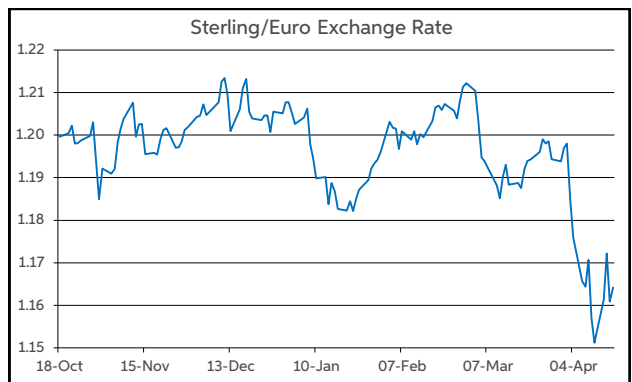
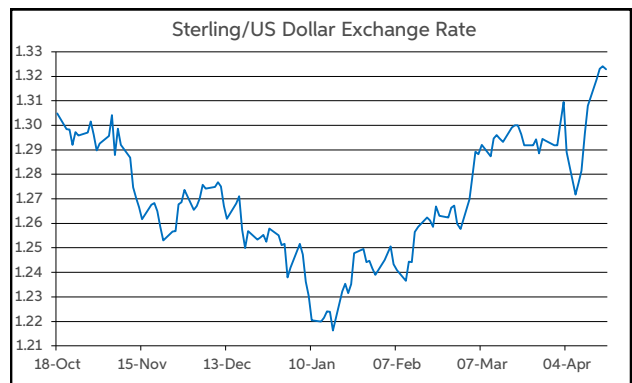
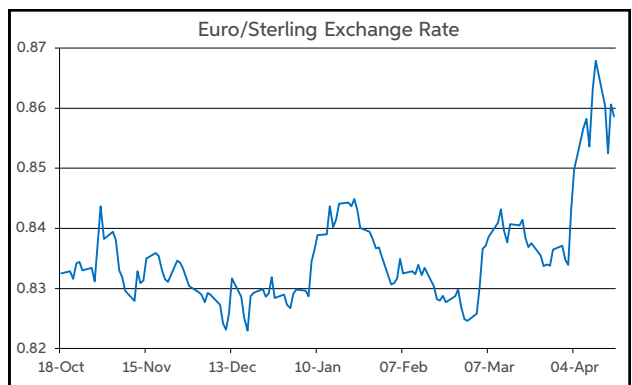
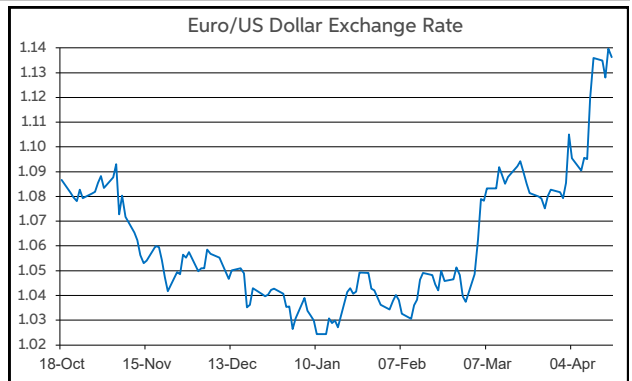
Data-wise, US retail sales rose by 1.4% in March (vs. 1.3% f'cast), with the all important control group measure increasing by 0.4% (vs. 0.6% f'cast). Meantime, industrial production contracted by 0.3% in the month (vs. -0.2% f'cast), albeit this was partially offset by an upward revision to February. Overall, the data suggest that the US economy remained in relatively solid shape at the end of Q1, although the pace of growth likely slowed somewhat throughout the quarter.

In remarks to the Economic Club of Chicago, Fed Chair Powell noted as much. However, he stated that tariffs are likely to generate "at least a temporary rise in inflation". He also warned that they may place the Fed's dual mandate (stable prices and maximum employment) "in tension". In the aftermath of Powell's comments, US stock markets declined, Treasury yields fell and the dollar moved off its peak.

In level terms, EUR/USD opens this morning in the top half of \$1.13-1.14 once again. GBP/USD is back in the lower half of the \$1.32-1.33 range. Meantime EUR/GBP is changing hands up near the 86p handle. USD/JPY remains below the ¥143 mark.

Today, the monetary policy spotlight will be on the ECB. The central bank is widely expected to lower rates by 25bps, which would bring the Depo rate back to 2.25%. The post-meeting press conference will be of keen interest for investors also, although the ECB may not be very forthcoming with clear guidance, given the high levels of uncertainty clouding the outlook still.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1364	0.17	9.77
EUR/GBP	0.8586	0.39	3.78
GBP/USD	1.3229	-0.25	5.74
GBP/EUR	1.1642	-0.38	-3.65
USD/JPY	142.7	0.06	-9.21
EUR/JPY	162.14	0.24	-0.37

* 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	4.27	3.87	3.86	3.86
EUR	2.65	2.21	2.26	2.03	1.97	2.22
GBP	4.50	4.36	4.25	3.95	4.03	4.05

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 17 April 2025
07:56 am



Euro

EUR/GBP	0.8586
EUR/USD	1.1364
EUR/JPY	162.14
EUR/SEK	11.1041
EUR/DKK	7.4671
EUR/NOK	12.0164
EUR/CHF	0.9297
EUR/AUD	1.7929
EUR/HKD	8.8204
EUR/CAD	1.5782

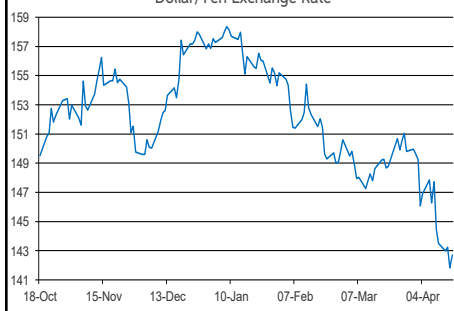
Sterling

GBP/EUR	1.1642
GBP/USD	1.3229
GBP/CAD	1.8371
GBP/NZD	2.2406
GBP/JPY	188.78
GBP/SEK	12.9292
GBP/DKK	8.6935
GBP/NOK	13.9906
GBP/CHF	1.0822
GBP/AUD	2.0866

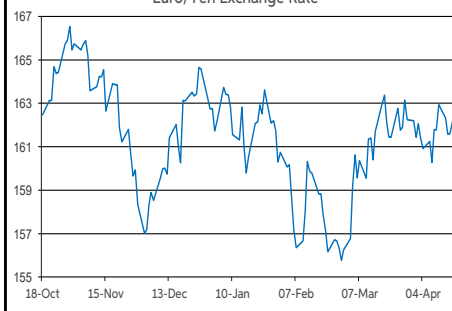
Dollar

USD/JPY	142.7
USD/CAD	1.3889
USD/CHF	0.818
USD/CNY	7.3072
USD/BRL	5.8665
USD/RUB	82.5
USD/INR	85.57
AUD/USD	0.6337
NZD/USD	0.59

Dollar/Yen Exchange Rate

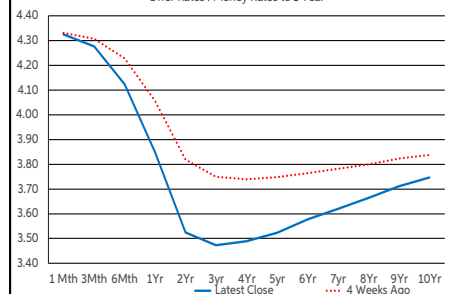


Euro/Yen Exchange Rate



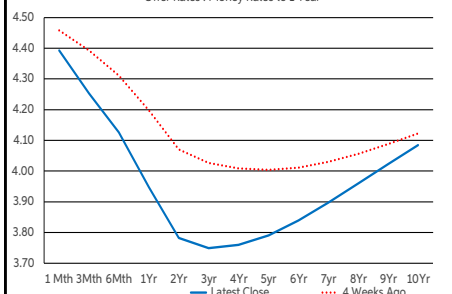
US Swap Curve

Offer Rates : Money Rates to 1 Year



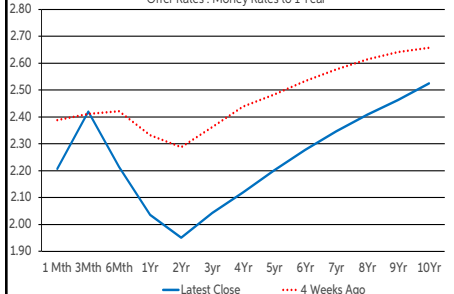
UK Swap Curve

Offer Rates : Money Rates to 1 Year

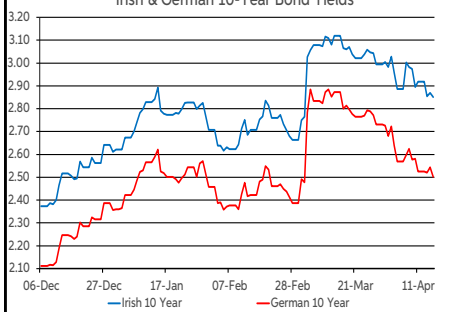


Eurozone Swap Curve

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	4.28	-4	+2	-30
Germany	2.50	-4	-30	+14
UK	4.61	-4	-2	+3
Ireland	2.88	-2	-22	+23
Belgium	3.12	-4	-23	+14
France	3.27	-3	-20	+7
Italy	3.70	-2	-15	+18
Spain	3.21	-3	-21	+14
Portugal	3.10	-4	-21	+25
Greece	3.45	-1	-19	+20
5 Year Swap %				
US	3.78	-8	-22	-51
Eurozone	2.20	-2	-28	-4
UK	4.03	-1	-20	-25
2 Year Swap %				
US	3.80	-6	-26	-53
Eurozone	1.95	-2	-34	-25
UK	4.01	-0	-28	-48
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	+2	+8	+9
Belgium	62	+0	+6	-0
France	77	+2	+9	-7
Italy	119	+2	+15	+4
Spain	71	+1	+8	+0
Portugal	59	-0	+9	+11
Greece	94	+3	+11	+6

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	65.85	+1.82	-6.97	-11.78
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3343.2	+3.58	+9.72	+27.42

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