

US labour market rounds out a busy week

There was a cautious mode on markets yesterday, amid a raft of key data releases and a slew of company earnings reports. Equity markets moved lower on both sides of the Atlantic, with the euro Stoxx 50 falling by 1.4%, while the S&P 500 declined by a more modest 0.4%.

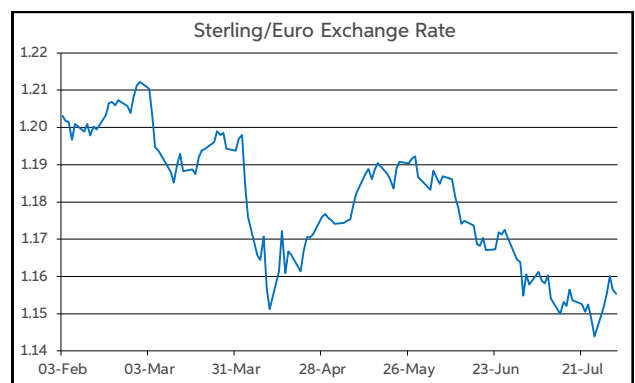
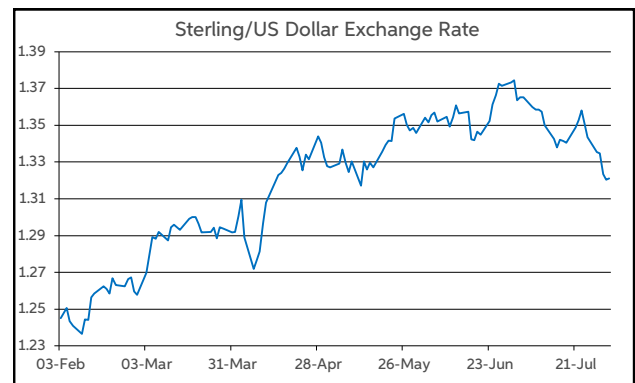
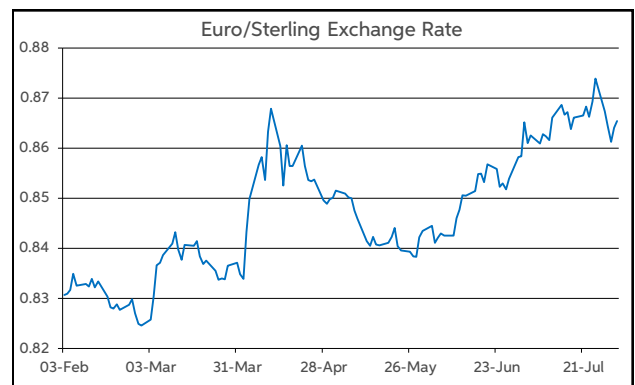
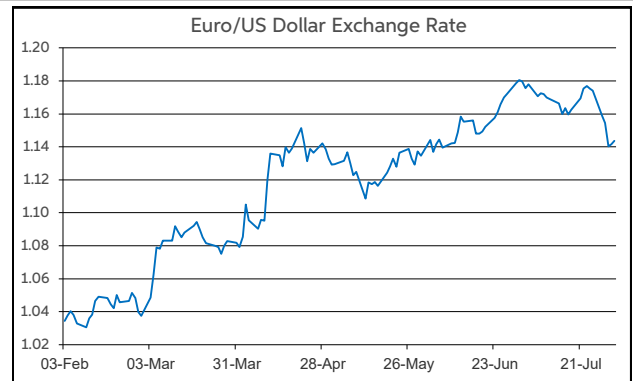
Data-wise, US core-PCE inflation remained at 2.8% in June (vs. 2.7% f'cast), amid some signs of tariff related costs being passed onto consumers. At the same time, personal consumption rose by 0.3% in nominal terms in June, marginally below the consensus for a 0.4% increase. Meanwhile, in the Eurozone, the flash estimates of German, French and Italian HICP inflation printed broadly in-line with expectations in July. Elsewhere, the bloc wide unemployment rate edged back to its all-time low of 6.2% in June. Against this backdrop, interest rates futures firmed marginally in the US and Eurozone.

On the currency front, the dollar was in the ascendancy once again. Meantime, the euro registered some slight gains. In contrast, the yen was under some downward pressure yesterday, amid some dovish remarks from BoJ Governor Ueda.

As trading gets underway this morning, EUR/USD is operating down in the lower half of \$1.14-1.15. GBP/USD is back near the \$1.32 mark. Elsewhere, EUR/GBP is at the midpoint of 86-87p. USD/JPY is changing hands up at the halfway mark of ¥150-1.51.

Today, the main release of note will be the US labour market report for July. So far this year labour market conditions have softened, and this trend is set to continue in July. Payrolls are forecast to rise by 110k in the month and the unemployment rate is expected to edged higher to 4.2%. Elsewhere, the flash estimate of Eurozone HICP inflation for July will feature. Markets will also be digesting the overnight announcement of Us tariffs on more than 60 countries.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1437	0.03	10.47
EUR/GBP	0.8655	0.45	4.62
GBP/USD	1.3211	-0.43	5.60
GBP/EUR	1.155	-0.45	-4.41
USD/JPY	150.54	1.11	-4.22
EUR/JPY	172.2	1.14	5.81

* 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	4.34	4.31	4.06	4.01	3.89
EUR	2.00	1.88	2.02	2.06	2.12	2.39
GBP	4.25	4.02	3.99	3.79	3.92	3.98

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 31 July 2025
07:52 am



Euro

EUR/GBP	0.8654
EUR/USD	1.1436
EUR/JPY	172.19
EUR/SEK	11.1823
EUR/DKK	7.4622
EUR/NOK	11.8021
EUR/CHF	0.9296
EUR/AUD	1.7763
EUR/HKD	8.9772
EUR/CAD	1.5847

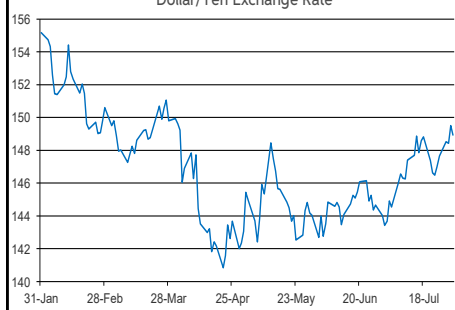
Sterling

GBP/EUR	1.1552
GBP/USD	1.3208
GBP/CAD	1.8305
GBP/NZD	2.2466
GBP/JPY	198.91
GBP/SEK	12.9146
GBP/DKK	8.6188
GBP/NOK	13.6358
GBP/CHF	1.0739
GBP/AUD	2.0518

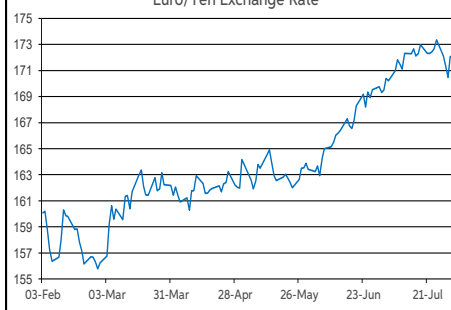
Dollar

USD/JPY	150.55
USD/CAD	1.3857
USD/CHF	0.8129
USD/CNY	7.2084
USD/BRL	5.5994
USD/RUB	80.25
USD/INR	87.333
AUD/USD	0.6435
NZD/USD	0.5877

Dollar/Yen Exchange Rate

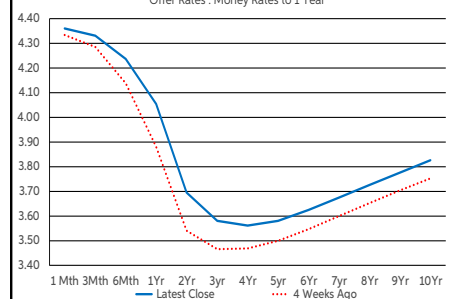


Euro/Yen Exchange Rate



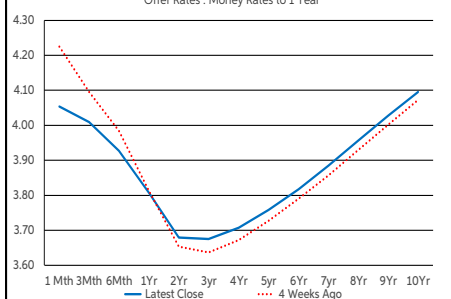
US Swap Curve

Offer Rates : Money Rates to 1 Year



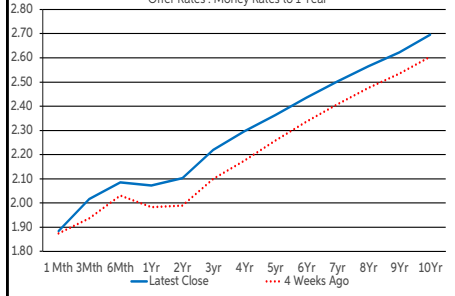
UK Swap Curve

Offer Rates : Money Rates to 1 Year

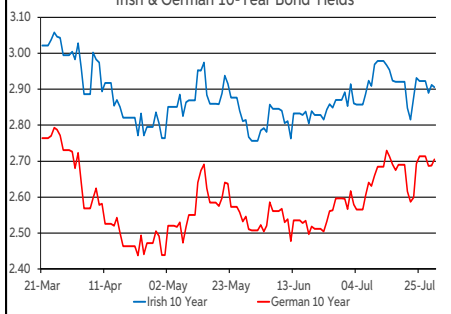


Eurozone Swap Curve

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	4.36	-2	+2	-22
Germany	2.69	-1	+11	+33
UK	4.57	-4	+2	-1
Ireland	2.93	-0	+3	+28
Belgium	3.21	-1	+5	+23
France	3.35	-1	+7	+15
Italy	3.54	-2	+6	+2
Spain	3.27	-2	+4	+21
Portugal	3.12	-2	+7	+27
Greece	3.40	-1	+6	+15
5 Year Swap %				
US	3.85	+0	+4	-44
Eurozone	2.36	+0	+11	+12
UK	3.98	-2	+6	-31
2 Year Swap %				
US	3.97	+1	+8	-37
Eurozone	2.10	+0	+11	-9
UK	3.91	-1	+5	-58
10 Year Government Bond Spreads to Benchmark bps				
Ireland	24	+1	-8	-5
Belgium	52	+0	-6	-10
France	65	+0	-4	-18
Italy	84	-0	-5	-31
Spain	58	-1	-7	-12
Portugal	43	-1	-5	-6
Greece	70	+0	-5	-18

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	73.24	+1.01	+5.98	-1.88
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3274.7	-1.55	-2.45	+24.81

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