

EUR/USD hovering in and around \$1.05

There was plenty for markets to digest last week across a whole array of topics. This included geopolitical news, trade/tariff announcements, inflation data and central bank speakers. From an investor sentiment viewpoint, the mood was positive over the course of the week. This was evident in healthy gains for the main equity indices on both sides of the Atlantic. In Europe, the Euro Stoxx 50 gained over 3% on the week. Meanwhile, by the closing bell on Wall Street on Friday night, the S&P 500 index was 1.5% higher from where it had started on Monday.

Currency-wise, a key feature of the trading amongst the majors was the weaker tone to the dollar. The softer tone has been evident at different stages over recent weeks, however, it became more noticeable last week. The greenback was down by between 1.5-2.0% on the exchanges. This coincided with the 'risk-on' environment (reduced demand for dollar's safe haven status). At the same time, interest rate differentials also acted as a headwind for the dollar. There was a softening in US Fed rate expectations for this year by around 10bps. This may have in part reflected the market assessing that there is no further imminent changes to US tariff policy. In contrast, Eurozone and UK rate expectations firmed in the region of 7-10bps.

In level terms, all of the above forex action was displayed in EUR/USD testing above the \$1.05 threshold last week and it opens this morning just below this mark. GBP/USD registered a new YTD high of \$1.263. In contrast, EUR/GBP was confined to a narrow 83.1-83.6p range. Ahead this week, the macro highlights include flash PMIs, UK labour market updates and Fed minutes. Investors will also be closely watching for any further trade/tariff news.

John Fahey, Senior Economist, AIB

Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.0493	0.39	1.35
EUR/GBP	0.8328	0.05	0.66
GBP/USD	1.2596	0.33	0.68
GBP/EUR	1.2003	-0.05	-0.66
USD/JPY	151.64	-0.62	-3.52
EUR/JPY	159.13	-0.24	-2.22

* v Previous Day's European Open

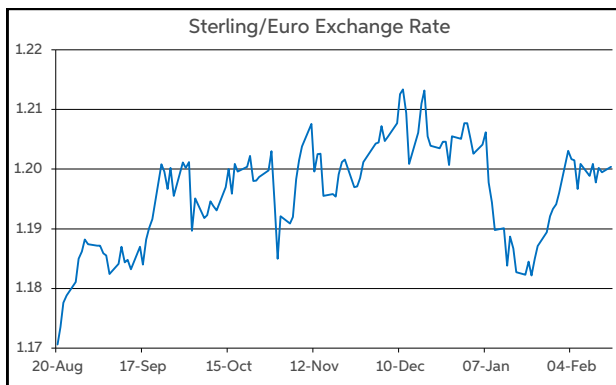
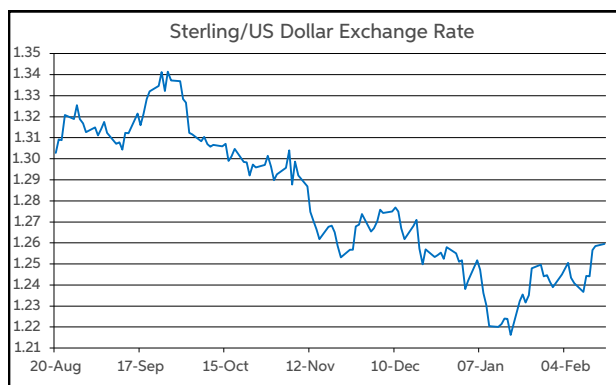
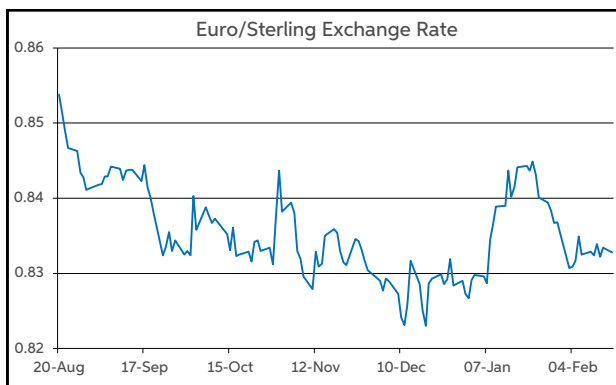
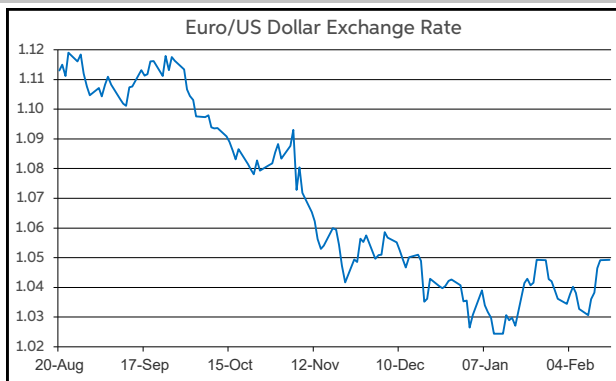
See Next Page for More Rates

Opening Interest Rates

	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.38	4.31	4.32	4.22	4.40	4.34
EUR	2.90	2.60	2.52	2.37	2.28	2.35
GBP	4.50	4.45	4.43	4.17	4.32	4.23

All rates quoted are indicative market rates

See Next Page For More Rates & Charts



FX Spot

Karl Cooke
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FX Options

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Morning Comment John Fahey
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Opening Levels

Monday 17 February 2025
07:18 am



Euro

EUR/GBP	0.8328
EUR/USD	1.0493
EUR/JPY	159.13
EUR/SEK	11.2286
EUR/DKK	7.4594
EUR/NOK	11.6581
EUR/CHF	0.9445
EUR/AUD	1.6472
EUR/HKD	8.1637
EUR/CAD	1.4872

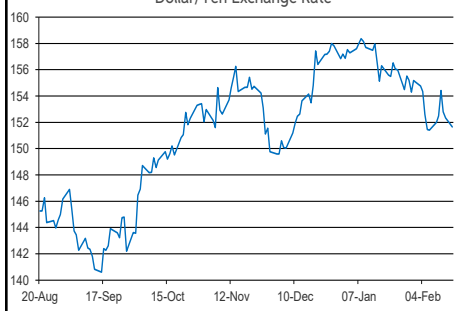
Sterling

GBP/EUR	1.2003
GBP/USD	1.2596
GBP/CAD	1.7849
GBP/NZD	2.1942
GBP/JPY	191.01
GBP/SEK	13.4787
GBP/DKK	8.9525
GBP/NOK	13.9919
GBP/CHF	1.1337
GBP/AUD	1.9772

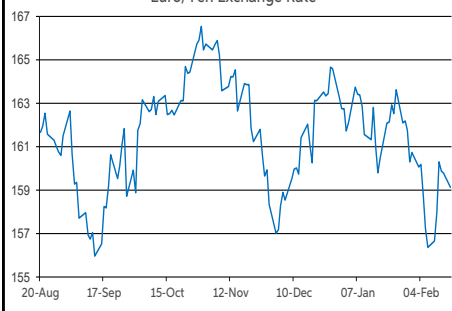
Dollar

USD/JPY	151.64
USD/CAD	1.4172
USD/CHF	0.9
USD/CNY	7.2477
USD/BRL	5.7042
USD/RUB	91.35
USD/INR	86.811
AUD/USD	0.6368
NZD/USD	0.5737

Dollar/Yen Exchange Rate

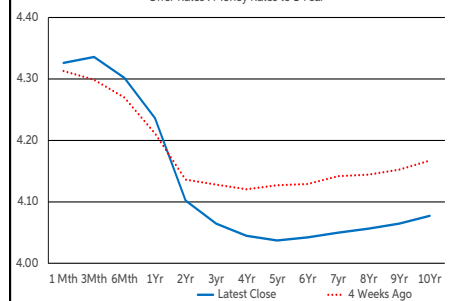


Euro/Yen Exchange Rate



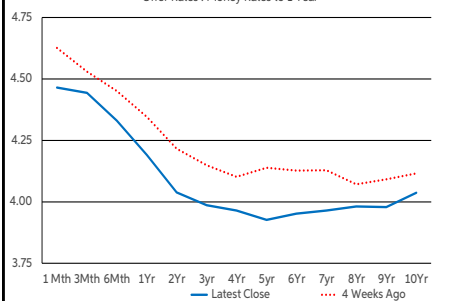
US Swap Curve

Offer Rates : Money Rates to 1 Year



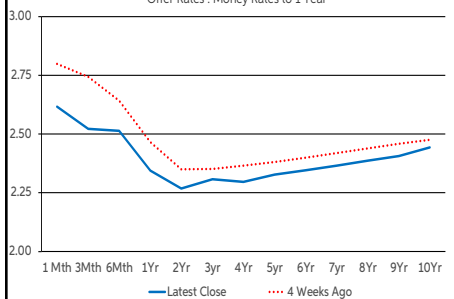
UK Swap Curve

Offer Rates : Money Rates to 1 Year

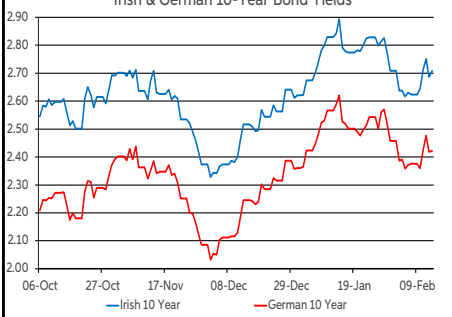


Eurozone Swap Curve

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	4.48	-5	-14	-10
Germany	2.42	+0	-8	+6
UK	4.50	+1	-16	-7
Ireland	2.72	+1	-8	+7
Belgium	2.99	+1	-10	+1
France	3.12	+1	-19	-7
Italy	3.52	+1	-13	-0
Spain	3.10	+2	-7	+4
Portugal	2.95	+1	-1	+10
Greece	3.32	+2	+1	+7
5 Year Swap %				
US	4.29	-8	-8	+0
Eurozone	2.31	+4	-7	+7
UK	4.18	-0	-15	-11
2 Year Swap %				
US	4.36	-5	-3	+3
Eurozone	2.27	+4	-8	+8
UK	4.28	+1	-17	-21
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	+1	+0	+1
Belgium	57	+0	-2	-5
France	70	+1	-11	-13
Italy	110	+1	-5	-6
Spain	68	+2	+1	-2
Portugal	53	+1	+7	+4
Greece	89	+2	+9	+1

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	74.74	-0.37	-7.49	+0.13
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2883.2	-1.57	+6.72	+9.89

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