

Euro rally loses steam

Following the initial rally in the euro post the German federal elections on Sunday, the currency lost ground in trading yesterday as investors digested the results, which crucially showed the mainstream centrist parties failed to reach a two-thirds threshold of seats in parliament which would have enabled the option to reform the “debt brake” fiscal rule.

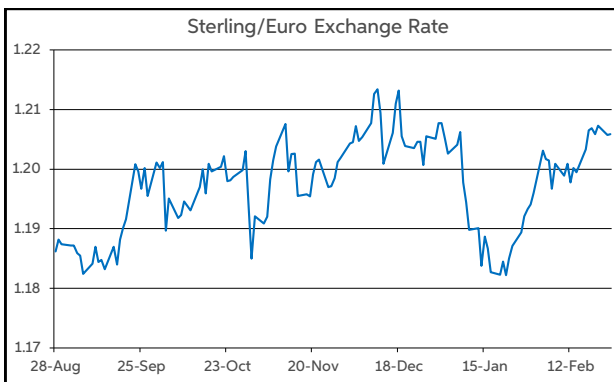
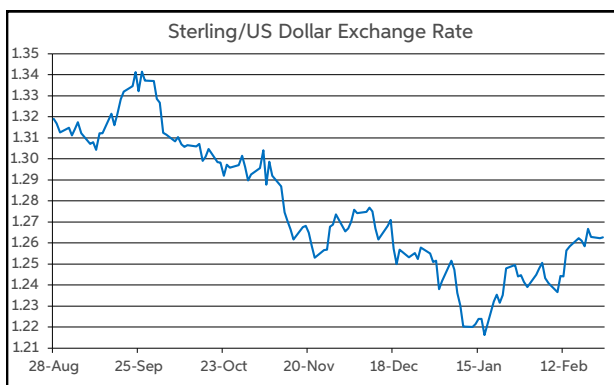
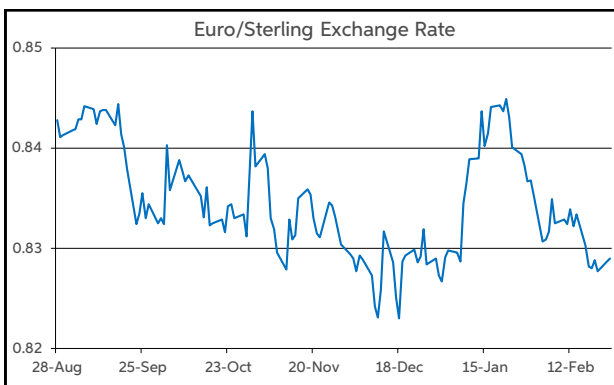
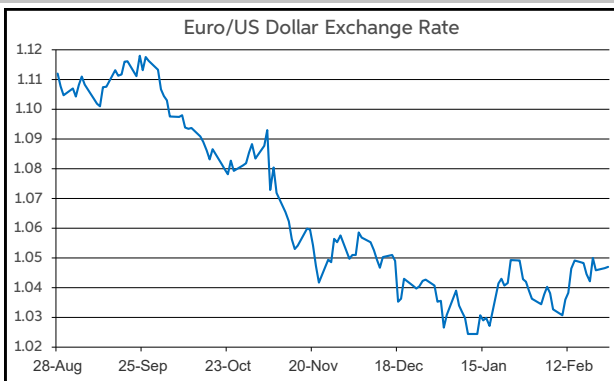
Having hit a resistance level of €1.052, the euro traded back to the midpoint of \$1.04-1.05 later in the day, while the currency was more range-bound against sterling, trading at the top end of the 82-83p range. This morning, the euro opened around \$1.047 against the dollar and just below 83p against sterling.

The Euro Stoxx 50 was also lower on day, by about 0.4%, mirroring the fall in markets on the other side of the Atlantic, with the S&P 500 falling 0.5%.

Data-wise, the calendar was relatively sparse yesterday, with the German Ifo business sentiment index in line with expectations in February, rising slightly on the month, but not yet factoring in any election impact.

The calendar for today is similarly sparse, with the only data of note the Conference Board measures of US consumer confidence for February, with a consensus expectation for a fall in sentiment during the month. Elsewhere, US house prices for December will also be published. After a quiet start to the week, attention will turn to a slew of inflation data in the US and Eurozone on Thursday and Friday, ahead of the next set of central bank meetings in March.

David McNamara, Chief Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.047	-0.43	1.13
EUR/GBP	0.829	-0.06	0.21
GBP/USD	1.2627	-0.36	0.93
GBP/EUR	1.2059	0.06	-0.21
USD/JPY	149.59	0.12	-4.83
EUR/JPY	156.63	-0.31	-3.76

* 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	4.31	4.14	4.28	4.22
EUR	2.90	2.60	2.52	2.30	2.22	2.29
GBP	4.50	4.44	4.41	4.20	4.32	4.24

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 25 February 2025
07:14 am



Euro

EUR/GBP	0.829
EUR/USD	1.047
EUR/JPY	156.63
EUR/SEK	11.1553
EUR/DKK	7.4589
EUR/NOK	11.6411
EUR/CHF	0.9389
EUR/AUD	1.6496
EUR/HKD	8.1414
EUR/CAD	1.4931

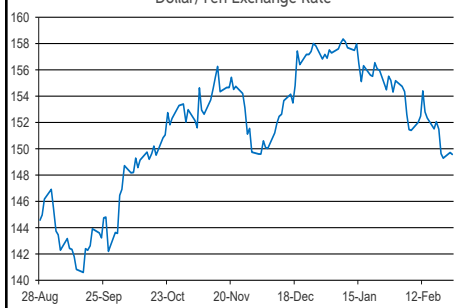
Sterling

GBP/EUR	1.2059
GBP/USD	1.2627
GBP/CAD	1.8002
GBP/NZD	2.2021
GBP/JPY	188.89
GBP/SEK	13.4513
GBP/DKK	8.9949
GBP/NOK	14.0407
GBP/CHF	1.132
GBP/AUD	1.9885

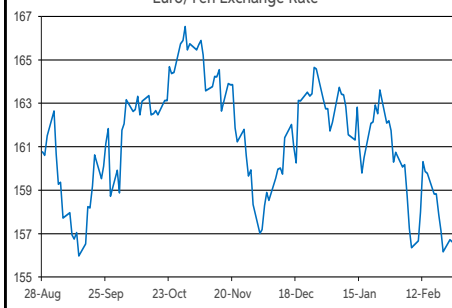
Dollar

USD/JPY	149.59
USD/CAD	1.4259
USD/CHF	0.8967
USD/CNY	7.2613
USD/BRL	5.7785
USD/RUB	87.15
USD/INR	87.1725
AUD/USD	0.6346
NZD/USD	0.5729

Dollar/Yen Exchange Rate

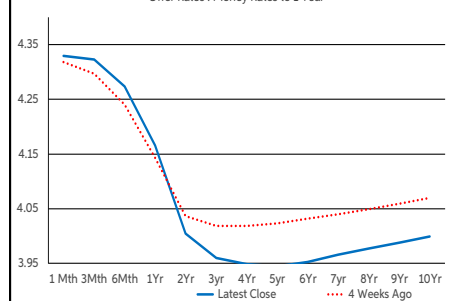


Euro/Yen Exchange Rate



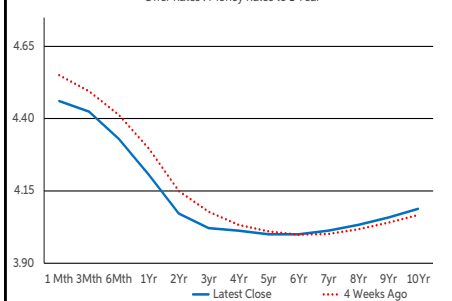
US Swap Curve

Offer Rates : Money Rates to 1 Year



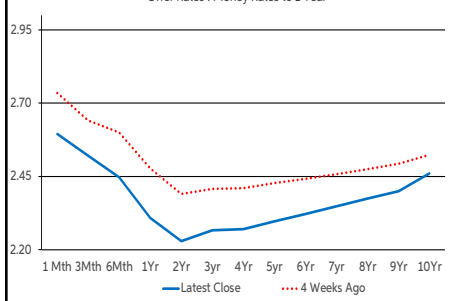
UK Swap Curve

Offer Rates : Money Rates to 1 Year

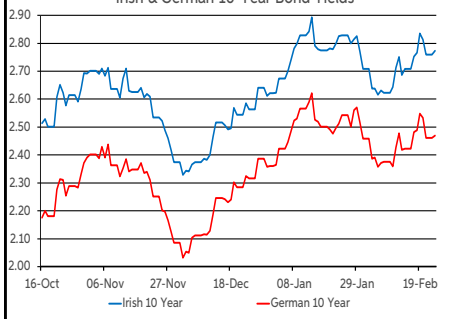


Eurozone Swap Curve

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	4.39	-3	-14	-18
Germany	2.47	+1	-3	+11
UK	4.57	-1	-2	-1
Ireland	2.78	+1	-3	+13
Belgium	3.06	-0	-8	+8
France	3.22	+0	-5	+3
Italy	3.56	+0	-7	+4
Spain	3.15	+1	-0	+9
Portugal	3.01	+1	+6	+16
Greece	3.35	-0	-8	+11
5 Year Swap %				
US	4.21	-3	-6	-8
Eurozone	2.29	+1	-13	+5
UK	4.24	-0	-1	-5
2 Year Swap %				
US	4.26	-3	-1	-7
Eurozone	2.22	+1	-16	+3
UK	4.32	-0	-5	-17
10 Year Government Bond Spreads to Benchmark bps				
Ireland	31	+0	+1	+3
Belgium	59	-1	-4	-3
France	75	-1	-2	-8
Italy	109	-0	-4	-7
Spain	68	+0	+3	-2
Portugal	54	+0	+9	+5
Greece	88	-1	-4	-0

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	74.78	+0.47	-2.98	+0.19
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2951.2	+0.52	+7.66	+12.48

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