

Soft US data spooks investors

Yesterday's Conference Board measure of US consumer confidence added to succession of recent macro and corporate earnings data from the US indicating softer activity levels of late. Consumer sentiment fell by the most since August 2021, with some respondents citing trade and tariffs as factors in the fall in confidence in February. Alongside the Michigan consumer survey, both suggest inflation expectations amongst households have worsened of late, tipping the Citibank US "economic surprise" measure into negative territory over the past week.

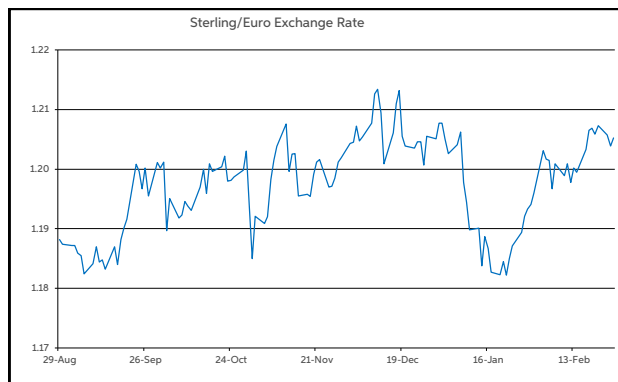
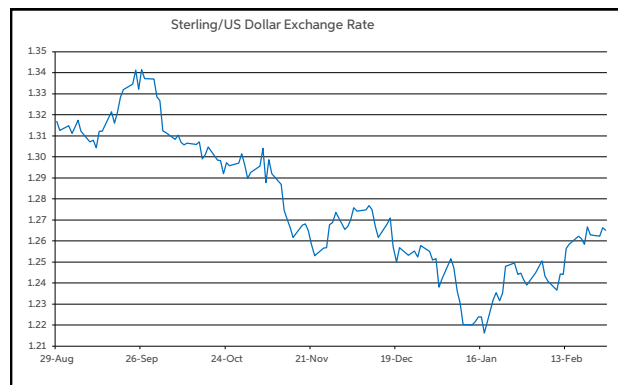
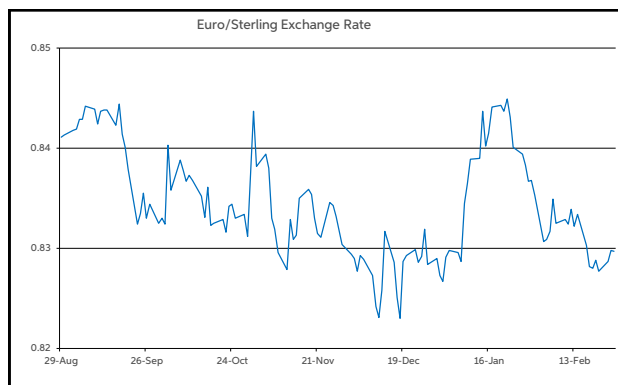
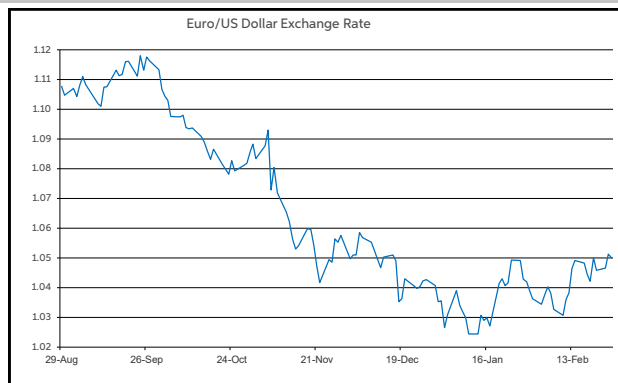
The Euro Stoxx 50 was also lower on day, by about 0.1%, with a sharper fall in equity markets on the other side of the Atlantic, with the S&P 500 falling 0.5%.

The euro once again traded to its recent resistance level of \$1.052 before easing back to \$1.05 overnight, while the currency was more range-bound against sterling, trading at the top end of the 82-83p range. This morning, the euro opened just below \$1.05 against the dollar and 83p against sterling.

The biggest moves have been on bond and money markets, with US rates c.20 bps softer over the past month, as investors price in potentially weaker growth. Expectations for Fed rate cuts have also softened, with c.55bps now priced in for end-2025.

Data-wise, the calendar was relatively sparse yesterday, aside from the aforementioned consumer confidence, and today has a similar look. German consumer confidence was weaker than expected, while French consumer confidence was a touch stronger in February, in the early releases today.

David McNamara, Chief Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0499	0.22	1.41
EUR/GBP	0.8296	0.10	0.28
GBP/USD	1.2652	0.13	1.13
GBP/EUR	1.2048	-0.10	-0.28
USD/JPY	149.36	-0.23	-4.98
EUR/JPY	156.84	-0.01	-3.63

* 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	4.32	4.31	4.13	4.25	4.15
EUR	2.90	2.60	2.52	2.28	2.20	2.27
GBP	4.50	4.44	4.41	4.17	4.27	4.17

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

Wednesday 26 February 2025
07:24 am



Euro

EUR/GBP	0.8296
EUR/USD	1.0499
EUR/JPY	156.84
EUR/SEK	11.1417
EUR/DKK	7.4591
EUR/NOK	11.6827
EUR/CHF	0.939
EUR/AUD	1.6574
EUR/HKD	8.1586
EUR/CAD	1.5036

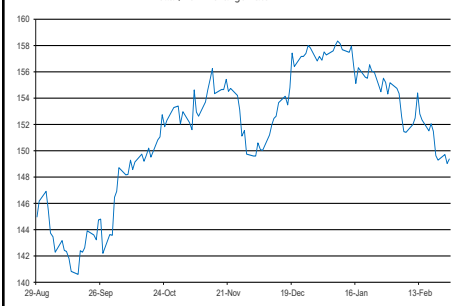
Sterling

GBP/EUR	1.2048
GBP/USD	1.2652
GBP/CAD	1.8117
GBP/NZD	2.2129
GBP/JPY	188.97
GBP/SEK	13.4275
GBP/DKK	8.987
GBP/NOK	14.072
GBP/CHF	1.1312
GBP/AUD	1.9973

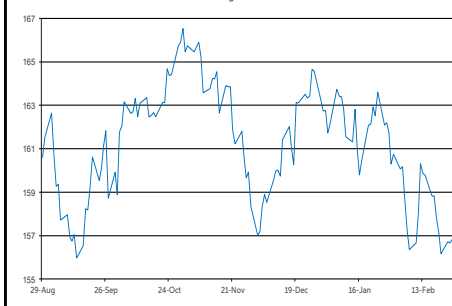
Dollar

USD/JPY	149.36
USD/CAD	1.4321
USD/CHF	0.8941
USD/CNY	7.2575
USD/BRL	5.7396
USD/RUB	86.2
USD/INR	87.039
AUD/USD	0.6333
NZD/USD	0.5713

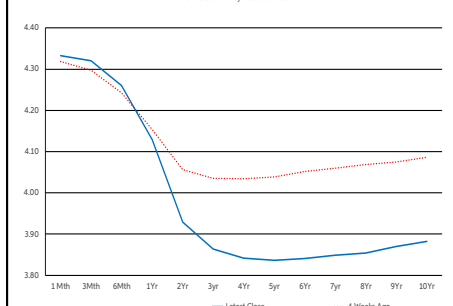
Dollar/Yen Exchange Rate



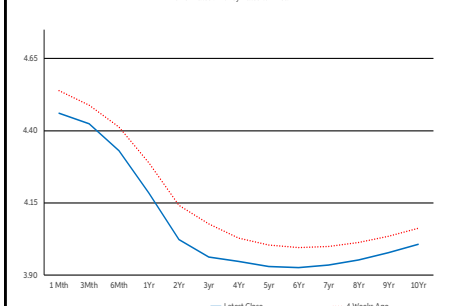
Euro/Yen Exchange Rate



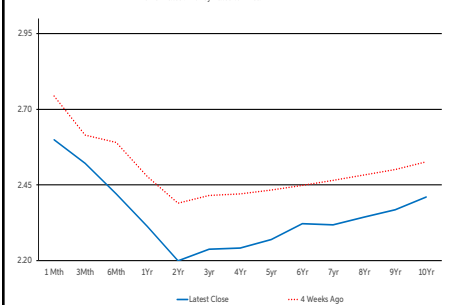
US Swap Curve
Offer Rates - Money Rates to 1 Year



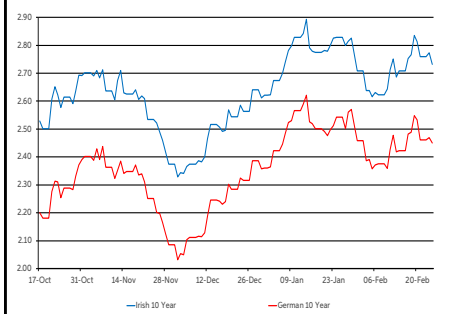
UK Swap Curve
Offer Rates - Money Rates to 1 Year



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	4.30	-9	-25	-28
Germany	2.45	-2	-11	+9
UK	4.51	-5	-11	-6
5 Year Swap %				
US	4.09	-12	-19	-20
Eurozone	2.26	-3	-16	+2
UK	4.17	-7	-9	-11
2 Year Swap %				
US	4.18	-11	-11	-15
Eurozone	2.19	-3	-20	+0
UK	4.27	-5	-12	-22
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	-1	+3	+2
Belgium	58	-1	-2	-4
France	74	-1	+1	-9
Italy	108	-1	-2	-8
Spain	67	-1	+6	-3
Portugal	53	-1	+13	+4
Greece	88	-1	+1	-1

Commodities

	Close	Day	4 Weeks	End 24
% Change				
Brent Oil	73.02	-2.35	-5.77	-2.17
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2915.1	-1.22	+5.50	+11.10

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