

## Inflation data in focus

There was a cautious mood on markets yesterday, amid a flurry of data releases, corporate earnings reports, and a slew of tariff-related newsflow. Most notably, US President Trump stated that the proposed tariffs on Canada and Mexico were likely to be implemented next week, while he also mentioned placing an additional 10% tax on China. Against this backdrop, the Euro Stoxx 50 shed 1.0%, and the S&P 500 fell by 1.6%.

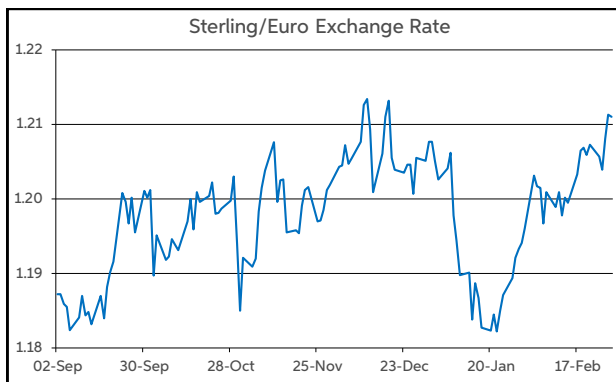
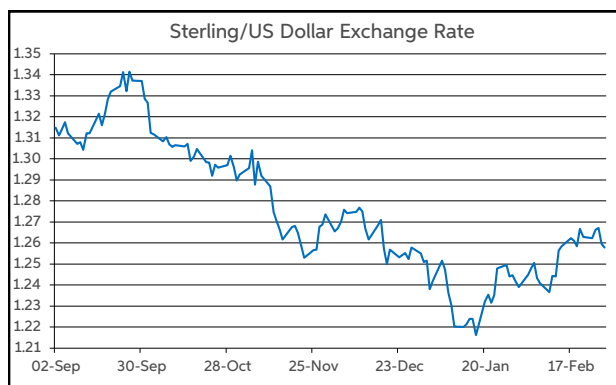
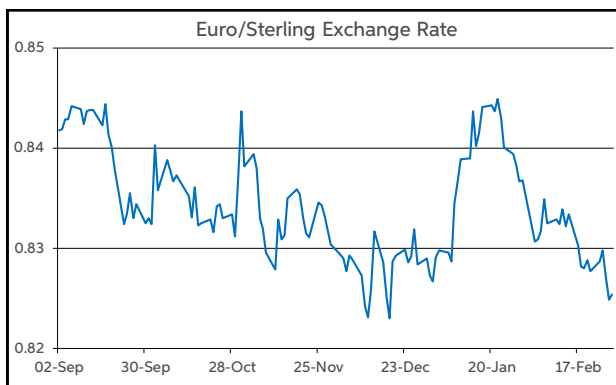
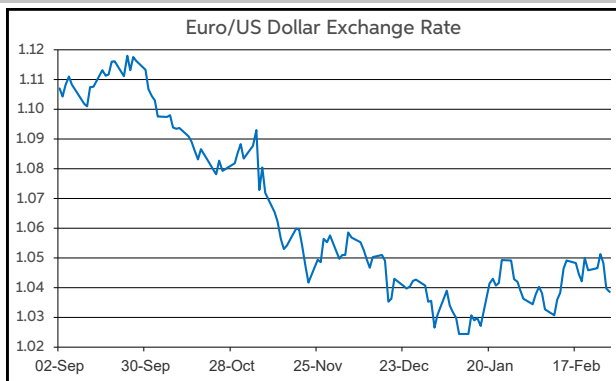
On the data front, the ECB meeting minutes provided no new information on the outlook for policy. Meantime, the EC economic sentiment indicator printed slightly above the consensus, rising to 96.3 in February (vs. 96.0 f'cast). In the US, the second reading of GDP confirmed the economy expanded by 2.3% annualised in Q4. In terms of more timely data, the latest weekly jobless claims figures jumped to 242k (vs. 221k f'cast). Overall though, the data had little impact of forex markets yesterday.

Indeed, the aforementioned tariff newsflow appeared to be the main driver of the price action on currency markets. As seen earlier in the year, the threat of US tariffs provided a supportive backdrop for the dollar and weighed heavily on the euro.

As trading gets underway this morning, the firmer tone to the dollar sees EUR/USD open back below the \$1.04 handle. Meantime, the softer euro is reflected by EUR/GBP operating down at the midpoint of 82-83p. GBP/USD is back in the \$1.25-1.26 corridor. Elsewhere, USD/JPY is up at the ¥150 mark.

Today, inflation data will be front and centre. US core-PCE inflation for January will be in focus, as will the flash reading of German, French and Italian HICP for February.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0385	-0.75	0.31
EUR/GBP	0.8254	-0.16	-0.23
GBP/USD	1.2578	-0.61	0.54
GBP/EUR	1.2109	0.16	0.23
USD/JPY	150.01	0.45	-4.56
EUR/JPY	155.8	-0.31	-4.27

\* 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	4.30	4.07	4.16	4.05
EUR	2.90	2.55	2.50	2.25	2.14	2.21
GBP	4.50	4.44	4.40	4.17	4.27	4.18

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

Friday 28 February 2025  
06:46 am



## Euro

EUR/GBP	0.8254
EUR/USD	1.0385
EUR/JPY	155.8
EUR/SEK	11.1981
EUR/DKK	7.4583
EUR/NOK	11.7036
EUR/CHF	0.9344
EUR/AUD	1.6721
EUR/HKD	8.0784
EUR/CAD	1.5

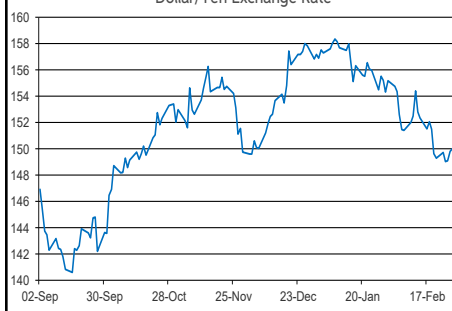
## Sterling

GBP/EUR	1.2109
GBP/USD	1.2578
GBP/CAD	1.8159
GBP/NZD	2.2454
GBP/JPY	188.68
GBP/SEK	13.5582
GBP/DKK	9.029
GBP/NOK	14.1739
GBP/CHF	1.1311
GBP/AUD	2.0241

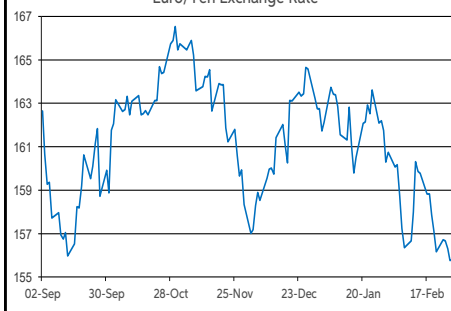
## Dollar

USD/JPY	150.01
USD/CAD	1.4441
USD/CHF	0.8997
USD/CNY	7.2859
USD/BRL	5.8401
USD/RUB	87.8
USD/INR	87.399
AUD/USD	0.621
NZD/USD	0.5597

Dollar/Yen Exchange Rate

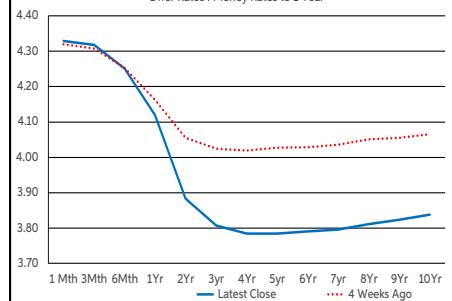


Euro/Yen Exchange Rate



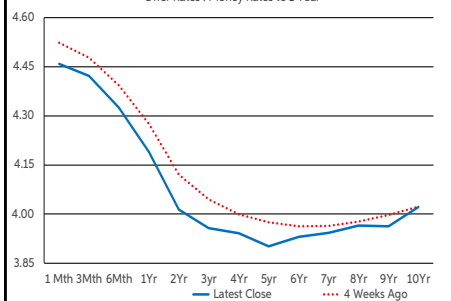
US Swap Curve

Offer Rates : Money Rates to 1 Year



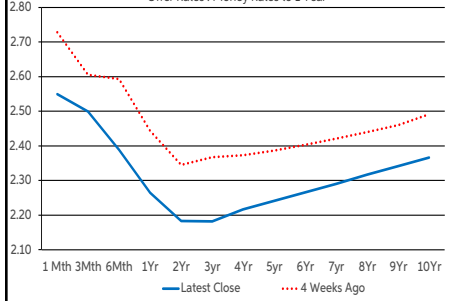
UK Swap Curve

Offer Rates : Money Rates to 1 Year

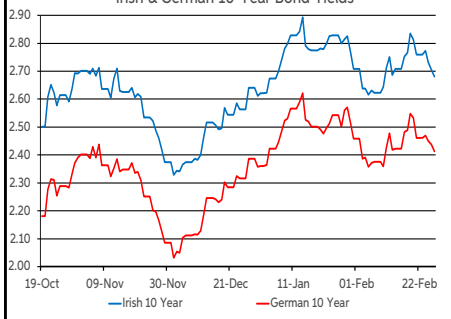


Eurozone Swap Curve

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	4.29	+4	-23	-29
Germany	2.41	-3	-10	+5
UK	4.51	+1	-5	-6
Ireland	2.69	-3	-10	+4
Belgium	2.99	-2	-14	+1
France	3.14	-1	-12	-5
Italy	3.49	-0	-11	-3
Spain	3.09	-0	-3	+2
Portugal	2.94	-0	+1	+9
Greece	3.30	-0	-9	+5
5 Year Swap %				
US	4.04	+0	-24	-25
Eurozone	2.23	+2	-14	-0
UK	4.18	+0	-3	-11
2 Year Swap %				
US	4.14	-1	-16	-19
Eurozone	2.17	+1	-17	-2
UK	4.26	-1	-8	-23
10 Year Government Bond Spreads to Benchmark bps				
Ireland	28	-0	+1	-1
Belgium	58	+1	-3	-4
France	73	+1	-2	-10
Italy	107	+2	-1	-9
Spain	68	+2	+7	-3
Portugal	53	+2	+12	+4
Greece	89	+2	+1	+0

## Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	74.04	+2.08	-3.68	-0.80
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2876.2	-1.37	+2.95	+9.62

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