

## Dollar on the front-foot

There was a mixed mood on markets throughout the first full trading day of 2025. Initially, equities edged higher on both sides of the Atlantic. The Euro Stoxx 50 held its gains, and finished the day up by 0.4%. However, risk appetite soured late on, with the S&P 500 registering a 0.2% fall at the US close. Meanwhile, sovereign bond yields were little changed across the board.

Data-wise, the latest US weekly initial jobless claims fell to an eight-month low of 211k (vs. 222k f'cast). However, the data may be impacted by some degree of seasonality. Elsewhere, the US manufacturing PMI was revised higher in December, while the Eurozone and UK readings were revised lower. It should be noted though, that all three readings remained in contraction mode.

On the currency front, the dollar was firmly in the ascendancy yesterday. The greenback gained 0.8% versus the euro and rose by over 1% against sterling. The better than anticipated US data coincided with the dollar's strength. At the same time, the more positive US growth outlook and the potential policy mix from the incoming Trump administration may also have contributed to the firmer dollar tone.

In level terms, EUR/USD opens this morning down in the \$1.02-1.03 range, having recorded a two-year low of \$1.0226 yesterday. GBP/USD is operating back below the \$1.24 threshold. EUR/GBP is changing hands in the top half of the 82-83p corridor.

Turning to the day ahead, the main release of note will be the US manufacturing ISM for December. Remarks from ECB Chief Economist Lane will also be under the microscope.

**Daniel Noonan, Economist, AIB**

### Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.028	-0.80	-0.71
EUR/GBP	0.8292	0.28	0.23
GBP/USD	1.2394	-1.09	-0.94
GBP/EUR	1.2054	-0.28	-0.23
USD/JPY	157.21	0.01	0.02
EUR/JPY	161.65	-0.79	-0.68

\* v Previous Day's European Open

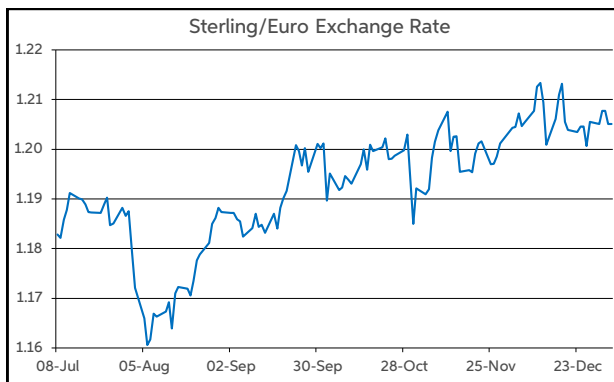
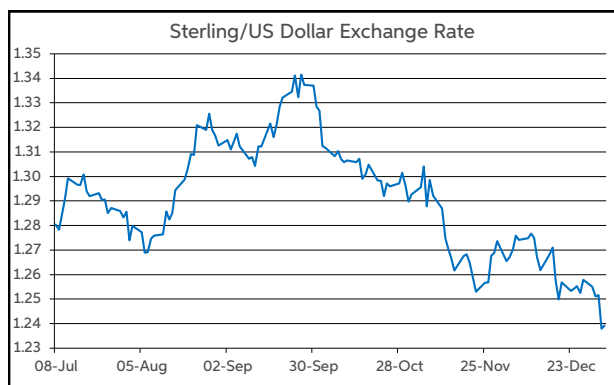
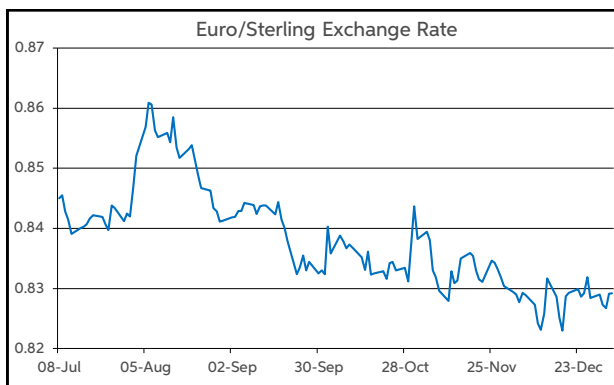
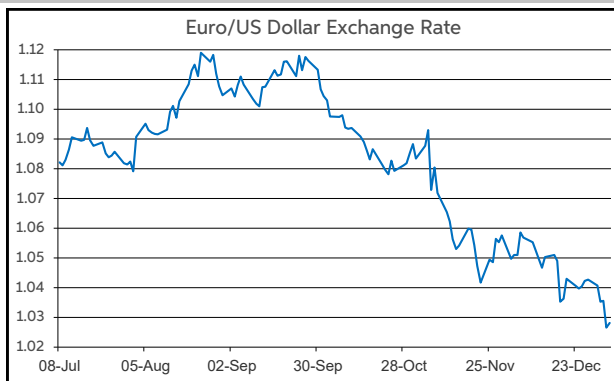
See Next Page for More Rates

### Opening Interest Rates

	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.38	4.30	4.29	4.17	4.37	4.32
EUR	3.15	2.85	2.71	2.33	2.22	2.27
GBP	4.75	4.70	4.61	4.44	4.49	4.30

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

# Opening Levels

Friday 03 January 2025  
07:38 am



## Euro

EUR/GBP	0.8292
EUR/USD	1.028
EUR/JPY	161.65
EUR/SEK	11.4508
EUR/DKK	7.4592
EUR/NOK	11.699
EUR/CHF	0.9358
EUR/AUD	1.6554
EUR/HKD	7.9976
EUR/CAD	1.4802

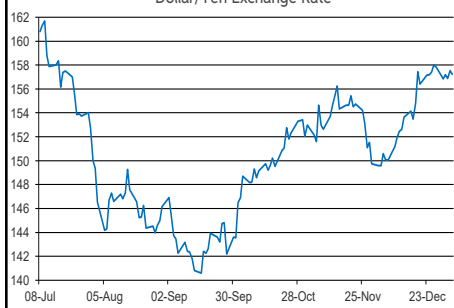
## Sterling

GBP/EUR	1.2054
GBP/USD	1.2394
GBP/CAD	1.7838
GBP/NZD	2.2116
GBP/JPY	194.85
GBP/SEK	13.7911
GBP/DKK	8.9887
GBP/NOK	14.0882
GBP/CHF	1.1282
GBP/AUD	1.9945

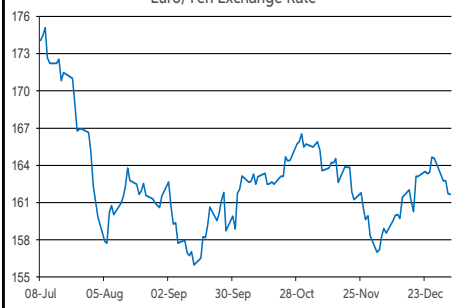
## Dollar

USD/JPY	157.21
USD/CAD	1.4395
USD/CHF	0.91
USD/CNY	7.309
USD/BRL	6.1519
USD/RUB	110.9955
USD/INR	85.7775
AUD/USD	0.6209
NZD/USD	0.5598

Dollar/Yen Exchange Rate

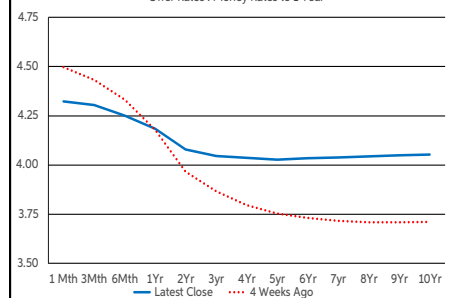


Euro/Yen Exchange Rate



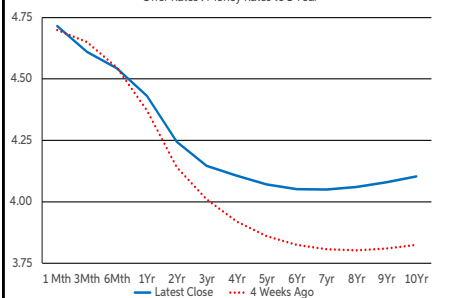
US Swap Curve

Offer Rates : Money Rates to 1 Year



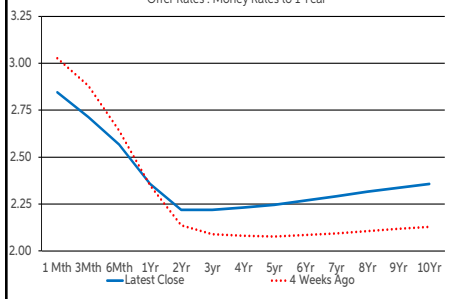
UK Swap Curve

Offer Rates : Money Rates to 1 Year

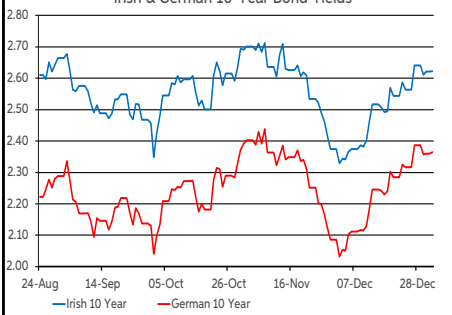


Eurozone Swap Curve

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	4.58	-0	+39	-0
Germany	2.37	+0	+26	+0
UK	4.60	+2	+31	+2
Ireland	2.65	+0	+24	+0
Belgium	2.99	+0	+33	+0
France	3.22	+2	+33	+2
Italy	3.53	+1	+33	+1
Spain	3.06	-1	+29	-1
Portugal	2.85	-0	+33	-0
Greece	3.22	-3	+30	-3
5 Year Swap %				
US	4.29	+0	+30	+0
Eurozone	2.25	+1	+18	+1
UK	4.31	+2	+21	+2
2 Year Swap %				
US	4.33	-0	+12	-0
Eurozone	2.22	+3	+9	+3
UK	4.49	+0	+13	+0
10 Year Government Bond Spreads to Benchmark bps				
Ireland	28	-0	-2	-0
Belgium	62	+0	+7	+0
France	85	+2	+6	+2
Italy	117	+1	+7	+1
Spain	69	-1	+3	-1
Portugal	48	-1	+7	-1
Greece	85	-4	+4	-4

## Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	75.93	+1.73	+5.33	+1.73
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2657.2	+1.27	+0.95	+1.27

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