

Euro edges lower

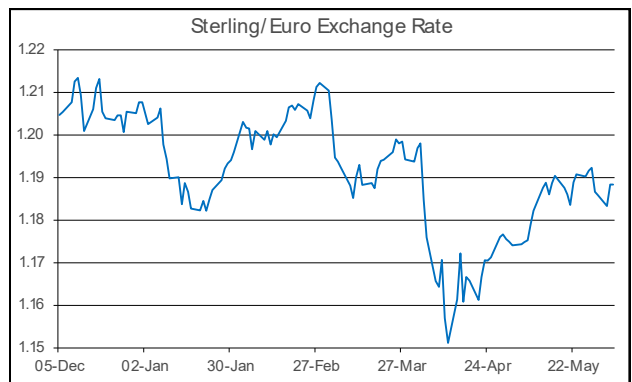
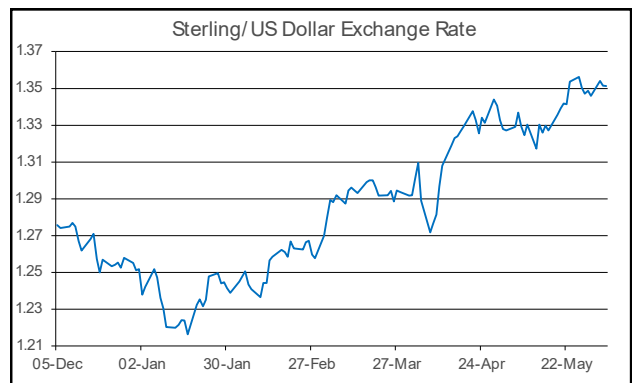
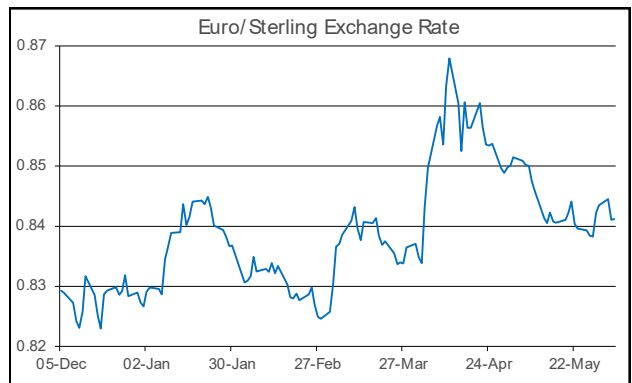
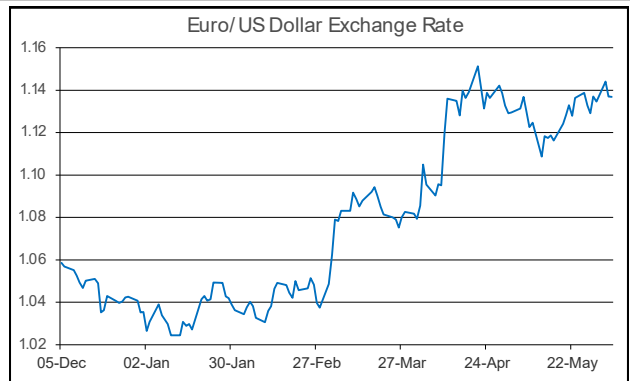
Investor sentiment was holding a positive tone yesterday. This was against the backdrop of some mixed macro newsflow. The latest OECD forecasts highlighted the challenging outlook for the global economy, including downgrades to its US GDP projections. However, US job 'openings' data provided some optimistic news for the world's largest economy. The firmer tone to risk appetite was evident in equity markets making gains on both sides of the Atlantic. In Europe, the Euro Stoxx 50 rose by 0.4%. Meantime, at the closing bell on Wall Street last night, the S&P 500 was 0.6% higher on the day.

The main macro highlight from the Eurozone diary yesterday was the flash reading of HICP inflation for May. The Eurozone inflation numbers were softer than expected. The headline rate printed at 1.9%, compared to a forecast for 2.0%. Meanwhile, the core rate registered a 2.3% result for May (vs. fcast for 2.5%). A key aspect of the data was the significant easing in services inflation to 3.2% (from 4.0% in April).

From a currency perspective, the softer inflation update did coincide with some downward pressure on the euro. Overall though, the main FX pairs have tended to operate within relatively narrow ranges over the past 24 hours. In level terms, the EUR/USD pair has been unable to hold onto the \$1.14 threshold and opens this morning near \$1.137. Meanwhile, EUR/GBP has edged back down towards the 84p mark. Elsewhere, GBP/USD is trading this morning very similar to yesterday's open, with the pair changing hands just above \$1.35.

Looking ahead to today's macro agenda, we get the final readings of the Composite PMIs for May from the US, Eurozone and UK. The US non-manufacturing ISM and ADP Employment (both May) also feature. Market participants will also be mindful of any trade/tariff related news.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1369	-0.49	9.81
EUR/GBP	0.8412	-0.40	1.68
GBP/USD	1.3513	-0.07	8.01
GBP/EUR	1.1884	0.40	-1.65
USD/JPY	143.99	0.73	-8.39
EUR/JPY	163.71	0.24	0.59

* 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	4.04	4.02	3.96
EUR	2.40	1.98	1.98	1.95	1.93	2.18
GBP	4.25	4.20	4.17	3.97	4.05	4.09

All rates quoted are indicative market rates

See Next Page For More Rates &

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

Wednesday 04 June 2025
07:27 am



Euro

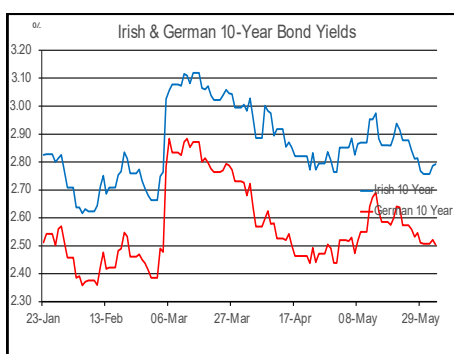
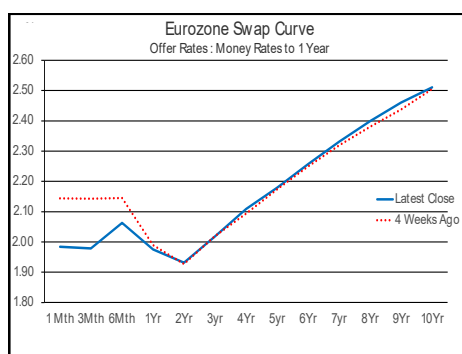
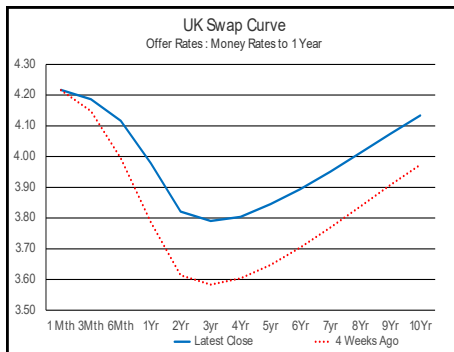
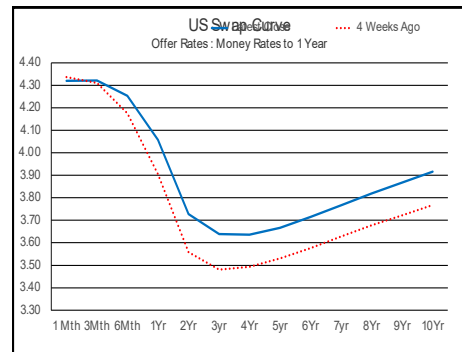
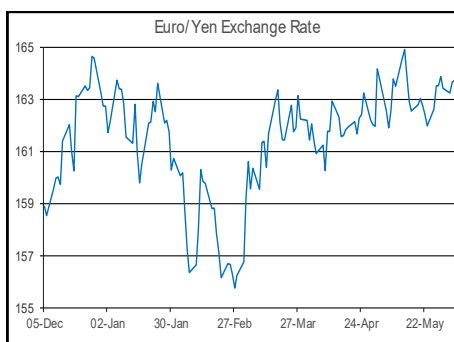
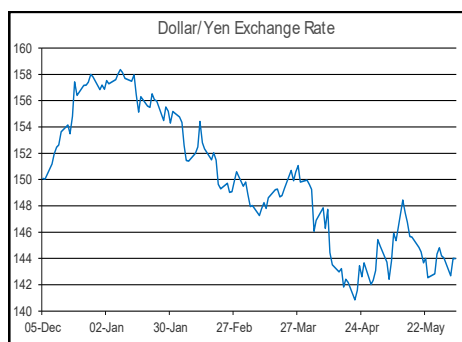
EUR/GBP	0.8412
EUR/USD	1.1369
EUR/JPY	163.71
EUR/SEK	10.9373
EUR/DKK	7.4594
EUR/NOK	11.5478
EUR/CHF	0.9363
EUR/AUD	1.7601
EUR/HKD	8.9217
EUR/CAD	1.5608

Sterling

GBP/EUR	1.1884
GBP/USD	1.3513
GBP/CAD	1.8545
GBP/NZD	2.2516
GBP/JPY	194.57
GBP/SEK	12.994
GBP/DKK	8.8603
GBP/NOK	13.7244
GBP/CHF	1.1122
GBP/AUD	2.0916

Dollar

USD/JPY	143.99
USD/CAD	1.3728
USD/CHF	0.8234
USD/CNY	7.1918
USD/BRL	5.6387
USD/RUB	78.75
USD/INR	85.935
AUD/USD	0.6458
NZD/USD	0.5997



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.46	-0	+15	-12
Germany	2.51	-2	-3	+14
UK	4.68	+2	+16	+10
Ireland	2.83	+0	-9	+18
Belgium	3.04	-1	-9	+6
France	3.19	-0	-7	-0
Italy	3.50	-2	-13	-2
Spain	3.11	-1	-8	+4
Portugal	2.99	-1	-8	+14
Greece	3.26	-3	-15	+1
5 Year Swap %				
US	3.93	+3	+15	-36
Eurozone	2.18	-2	+0	-6
UK	4.09	-2	+19	-20
2 Year Swap %				
US	3.99	+1	+19	-35
Eurozone	1.93	-1	+0	-26
UK	4.05	-2	+20	-44
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	+2	-6	+4
Belgium	54	+1	-6	-8
France	69	+1	-4	-15
Italy	100	+0	-11	-16
Spain	60	+1	-6	-10
Portugal	48	+1	-5	-0
Greece	76	-1	-13	-13

Commodities				
	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	65.63	+1.55	+5.60	-12.07
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3352.0	-0.80	-2.26	+27.75

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.