Morning Comment

AIB Treasury Economic Research Unit



Monday 09 June 2025 07:12 am

Important US and UK data due this week

Looking at the currency market action last week, the euro garnered some upside in the aftermath of the ECB meeting, with EUR/USD trading to a high of \$1.149. While the central bank, as expected, cut rates by 25bps (Depo lowered to 2.0%), there was a less dovish tone emanating from the ECB. President Lagarde's comments suggested that further rate cuts in the near term seem unlikely and any additional easing by year-end from the ECB is likely to be limited.

The trade/tariff newsflow last week had a generally optimistic vibe, which at the margin was supportive for the dollar. US President Trump gave a positive assessment of a call he had with Chinese President Xi on US/China trade relations. Data-wise, the highlight was Friday's batch of US labour market updates for May. The key release was non-farm Payrolls, which surprised to the upside of expectations. This provided some upward momentum to the dollar heading into the weekend. EUR/USD was testing below \$1.14 and GBP/USD had traded down into the lower half of \$1.35-1.36.

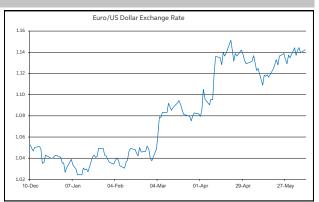
Some of this dollar momentum has ebbed away in overnight Asia-Pacific trading. Overall, the dollar opens this morning modestly softer against the euro and sterling from where it started last week. EUR/USD is at \$1.142, while GBP/USD is trading near \$1.356. Elsewhere, EUR/GBP remains in a tight range just above 84p.

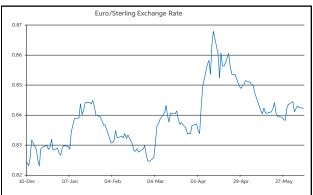
Ahead this week, there are some important data releases from the US and UK schedules. In the US, the key publication of note will be CPI inflation numbers for May. It will be interesting to see if the underlying 'easing' trend in US inflation is maintained. From a UK viewpoint, there is a raft of labour market metrics due as well as the latest monthly GDP reading (all April). The data will provide some insight as to how the UK economy performed at the start of Q2. The Eurozone diary is sparse in comparison, with industrial production (Apr) the only noteworthy data release.

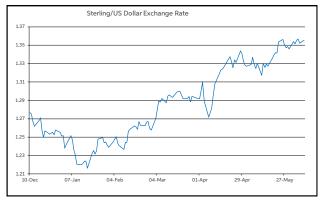
John Fahey, Senior Economist, AIB

Today's Opening FX Rates				
		% Change		
		Day *	End 2024	
EUR/USD	1.1423	-0.14	10.34	
EUR/GBP	0.8423	-0.02	1.81	
GBP/USD	1.3557	-0.12	8.36	
GBP/EUR	1.1867	0.02	-1.78	
USD/JPY	144.32	0.35	-8.18	
EUR/JPY	164.89	0.21	1.31	
* v Previous Day's European Open				
See Next Page for More Rates				

Opening Interest Rates						
		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.38	4.31	4.32	4.07	4.07	4.03
EUR	2.00	1.97	1.96	2.00	2.01	2.28
GBP	4.25	4.21	4.17	3.98	4.11	4.14









All rates quoted are indicative market rates

See Next Page For More Rates &

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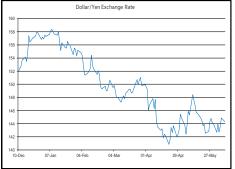
Opening Levels

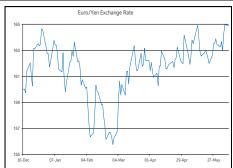


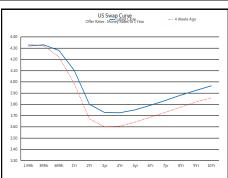
Euro	
EUR/GBP	0.8423
EUR/USD	1.1423
EUR/JPY	164.89
EUR/SEK	10.9873
EUR/DKK	7.4602
EUR/NOK	11.5205
EUR/CHF	0.9371
EUR/AUD	1.7537
EUR/HKD	8.9645
EUR/CAD	1.5633

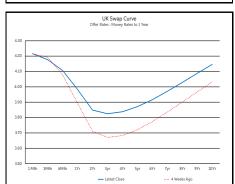
Sterling			
GBP/EUR	1.1867		
GBP/USD	1.3557		
GBP/CAD	1.855		
GBP/NZD	2.2442		
GBP/JPY	195.65		
GBP/SEK	13.0369		
GBP/DKK	8.8519		
GBP/NOK	13.663		
GBP/CHF	1.1121		
GBP/AUD	2.0812		

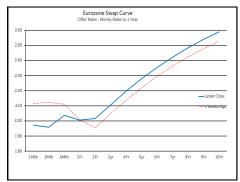
Dollar				
USD/JPY	144.32			
USD/CAD	1.3685			
USD/CHF	0.8204			
USD/CNY	7.1856			
USD/BRL	5.5622			
USD/RUB	79.15			
USD/INR	85.497			
AUD/USD	0.6511			
NZD/USD	0.6037			













Debt Markets						
			Change bps			
	Close	Day	4 Weeks	End 24		
10 Year Yield %						
US	4.51	+12	+14	-7		
Germany	2.56	-2	+1	+20		
UK	4.64	+2	+8	+7		
Ireland	2.89	-1	-2	+24		
Belgium	3.11	-2	-3	+12		
France	3.24	-2	-2	+5		
Italy	3.51	-4	-12	-1		
Spain	3.15	-2	-6	+8		
Portugal	3.05	-2	-4	+20		
Greece	3.29	-2	-9	+4		
5 Year Swap %						
US	4.02	+12	+12	-27		
Eurozone	2.28	+1	+7	+4		
UK	4.09	+1	+12	-20		
2 Year Swap %						
US	4.04	+10	+10	-29		
Eurozone	2.01	+0	+6	-18		
UK	4.07	+2	+13	-41		
10 Year Governme	ent Bond Spread	ds to Benchi	nark bps			
Ireland	32	+1	-3	+4		
Belgium	54	+0	-4	-8		
France	68	+0	-4	-15		
Italy	95	-2	-13	-21		
Spain	59	+0	-7	-12		
Portugal	48	+1	-5	-0		
Greece	73	+0	-10	-16		

Commodities					
		% Change			
	Close	Day	4 Weeks	End 24	
Brent Oil	66.47	+1.73	+4.01	-10.95	
West Texas Oil	71.65	-0.17	-1.90	-1.27	
Gold \$	3309.7	-1.30	-0.44	+26.14	

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