Morning Comment

AIB Treasury Economic Research Unit



Wednesday 11 June 2025 06:56 am

US CPI inflation in focus today

The calm mood on financial markets persisted throughout yesterday. Little new information regarding the ongoing US-China trade talks and a limited macro data calendar likely contributed to the subdued tone to investor sentiment. Against this backdrop, the Euro Stoxx 50 edged 0.1% lower, while the S&P 500 rallied late on in the US session, to register a 0.5% gain.

On bond markets, UK Gilt yields fell by 8-10bps. The move coincided with a batch of soft UK labour market data released yesterday morning. Elsewhere, German Bund yields fell by 1-5bps along the curve, albeit there was no obvious catalyst for the move. In contrast, US Treasury yields were broadly flat yesterday.

Currency-wise, sterling was under some downward pressure. Having declined markedly following the early morning release of the soft labour market data, the pound was unable to recoup its losses. Overall, the UK unit moved circa 0.4-0.6% lower yesterday. Meanwhile, the other majors have operated in narrow ranges over the past 24 hours.

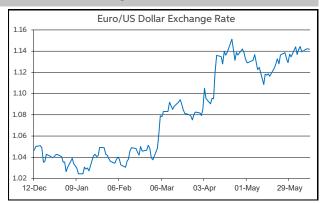
As trading gets underway this morning, the weaker tone to sterling is evidenced by EUR/GBP opening above the midpoint of the 84-85p corridor. GBP/USD is changing hands down below the \$1.35 handle. Elsewhere, EUR/USD remains in the lower half of the \$1.14-1.15 band. Meantime, USD/JPY is at the ¥145 mark.

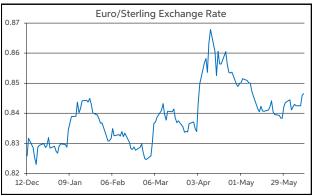
Turning to the day ahead, the main highlight will be US CPI inflation for May. Despite trending slightly lower so far this year, the consensus is for both the headline and the core rate to rise, to 2.5% and 2.9%, respectively in May. Investors will be paying particular attention to the release for any indications that US tariffs are being passed on to consumers. From a sterling perspective, the UK Spending Review will be of interest.

Daniel Noonan, Economist, AIB

Today's Opening FX Rates				
		% Change		
		Day *	End 2024	
EUR/USD	1.1419	0.18	10.30	
EUR/GBP	0.8465	0.56	2.32	
GBP/USD	1.3485	-0.38	7.79	
GBP/EUR	1.1805	-0.56	-2.27	
USD/JPY	145	0.05	-7.75	
EUR/JPY	165.6	0.24	1.75	
* 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	4.30	4.32	4.08	4.09	4.03	
EUR	2.00	1.96	1.96	1.99	1.99	2.24	
GBP	4.25	4.20	4.14	3.88	3.97	4.01	









All rates quoted are indicative market rates

See Next Page For More Rates &

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Opening Levels



Euro	
EUR/GBP	0.8465
EUR/USD	1.1419
EUR/JPY	165.6
EUR/SEK	10.9639
EUR/DKK	7.4588
EUR/NOK	11.545
EUR/CHF	0.9395
EUR/AUD	1.7521
EUR/HKD	8.9641
EUR/CAD	1.562

Sterling				
GBP/EUR	1.1805			
GBP/USD	1.3485			
GBP/CAD	1.8443			
GBP/NZD	2.2337			
GBP/JPY	195.51			
GBP/SEK	12.9473			
GBP/DKK	8.8064			
GBP/NOK	13.6321			
GBP/CHF	1.1091			
GBP/AUD	2.0691			

Dollar					
USD/JPY	145				
USD/CAD	1.3676				
USD/CHF	0.8226				
USD/CNY	7.185				
USD/BRL	5.5739				
USD/RUB	78.25				
USD/INR	85.441				
AUD/USD	0.6515				
NZD/USD	0.6034				

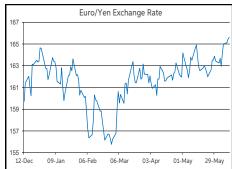


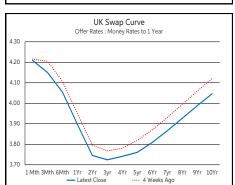
US Swap Curve Offer Rates : Money Rates to 1 Year

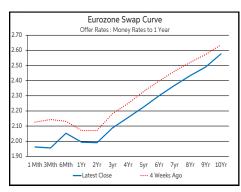
4.40 4.30 4.20

4.10

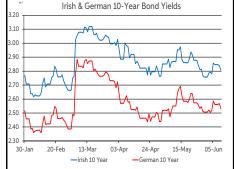
3.90







1 Mth 3Mth 6Mth 1Yr 2Yr 3yr 4Yr 5yr 6Yr 7yr 8Yr 9Yr 10Yr
Latest Close 4 Weeks Ago



	Debt	Markets		
		Change bps		
	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.47	-1	-2	-10
Germany	2.53	-4	-14	+17
UK	4.54	-9	-14	-3
Ireland	2.85	-4	-15	+20
Belgium	3.06	-4	-17	+8
France	3.21	-3	-15	+1
Italy	3.45	-4	-26	-7
Spain	3.10	-4	-20	+4
Portugal	3.00	-5	-19	+15
Greece	3.25	-6	-21	+0
5 Year Swap %				
US	3.98	+1	-1	-31
Eurozone	2.22	-3	-10	-1
UK	4.01	-8	-6	-28
2 Year Swap %				
US	4.04	+1	+0	-29
Eurozone	1.99	-1	-8	-21
UK	3.96	-8	-7	-52
 10 Year Governme	nt Bond Spread	s to Benchn	 nark bps	
Ireland	32	+0	-0	+3
Belgium	53	+0	-2	-9
France	68	+1	-O	-16
Italy	92	+0	-11	-24
Spain	57	+0	-5	-13
Portugal	47	-1	-4	-2
Greece	72	-2	-7	-17

Commodities					
		% Change			
	Close Day 4 Weeks End				
Brent Oil	66.87	-0.25	+0.36	-10.41	
West Texas Oil	71.65	-0.17	-1.90	-1.27	
Gold \$	3322.2	-0.16	+2.30	+26.62	

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