

EUR/USD opens above \$1.15

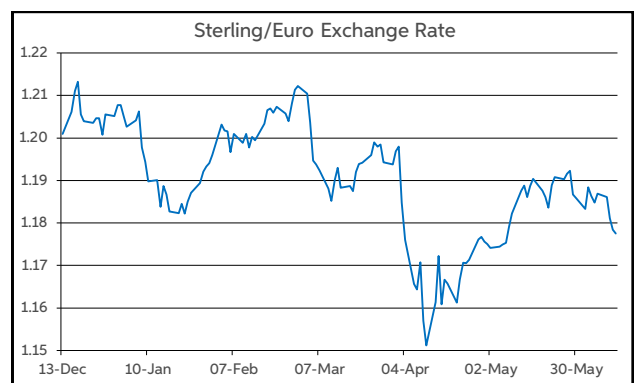
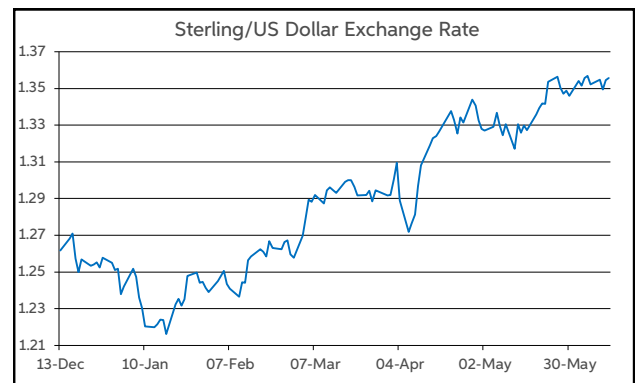
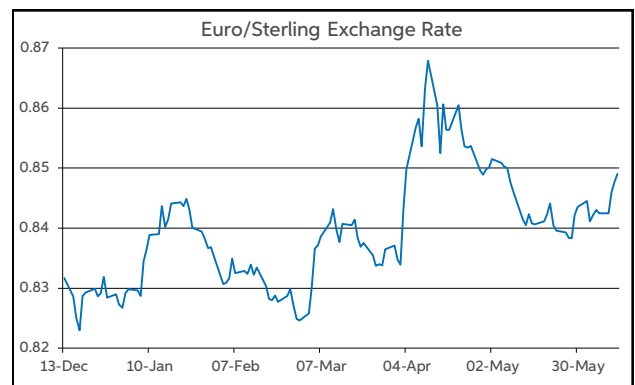
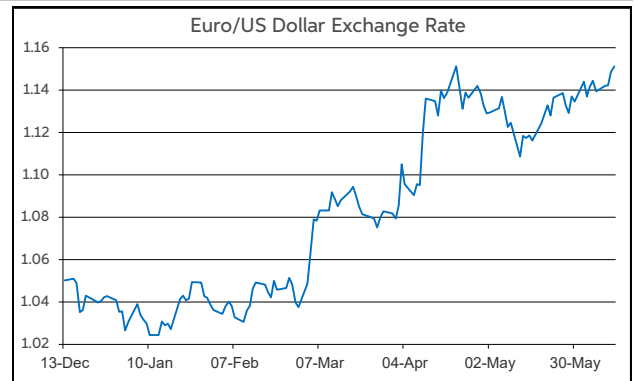
There was a cautious mood on markets yesterday. Throughout the day, US trade related news flow and inflation data impacted investor sentiment. Overall, markets have been underwhelmed by the limited details available regarding the US-China trade deal. At the same time, President Trump indicated that he will proceed with raising unilateral tariffs on trade partners on July 9th, although White House officials have since suggested the current pause will be extended as long as negotiations are ongoing. Meantime, US CPI inflation printed below the consensus. The headline rate rose to 2.4% (vs. 2.5% f'cast), while the core rate remained at 2.8% (vs. 2.9% f'cast) in May.

Against that backdrop, US futures contracts softened marginally by circa 5bps, with two rate cuts now fully priced in by year end. Meanwhile, US Treasury yields fell by 2-8bps along the curve. Elsewhere, German Bund and UK Gilt yields were little changed. On equity markets, the Euro Stoxx 50 and the S&P 500 fell by 0.4% and 0.3%, respectively.

Currency-wise, the dollar was on the defensive yesterday, amid the softening in US rate expectations. Meantime, the euro, yen and the Swiss franc were in the ascendancy. Overall, the greenback declined by around 0.7-0.9% against the euro, yen and franc, and lost circa 0.5% versus sterling. As trading gets underway this morning, this sees EUR/USD open above \$1.15. GBP/USD is changing hands up at the midpoint of \$1.35-1.36. Elsewhere, USD/JPY is back below ¥144. EUR/GBP is just under the 85p threshold.

Already this morning, the monthly reading of UK GDP for April has been released. Output contracted by 0.3% in the month (vs. -0.1 f'cast). Sterling has been a touch softer in early trading following the release. Later today, US PPI inflation (May) and the latest weekly initial jobless claims figures will be in focus. Remarks from a number of ECB officials may also warrant some attention today.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2024 |
| EUR/USD | 1.1513 | 0.86 | 11.20 |
| EUR/GBP | 0.849 | 0.31 | 2.62 |
| GBP/USD | 1.3556 | 0.57 | 8.35 |
| GBP/EUR | 1.1772 | -0.31 | -2.56 |
| USD/JPY | 143.86 | -0.81 | -8.47 |
| EUR/JPY | 165.66 | 0.05 | 1.79 |

* 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 | 4.03 | 4.01 | 3.95 |
| EUR | 2.00 | 1.96 | 1.95 | 1.99 | 1.99 | 2.24 |
| GBP | 4.25 | 4.19 | 4.14 | 3.88 | 3.96 | 4.00 |

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

Thursday 12 June 2025
07:20 am



Euro

| | |
|---------|---------|
| EUR/GBP | 0.849 |
| EUR/USD | 1.1513 |
| EUR/JPY | 165.66 |
| EUR/SEK | 10.9703 |
| EUR/DKK | 7.4594 |
| EUR/NOK | 11.5573 |
| EUR/CHF | 0.941 |
| EUR/AUD | 1.7716 |
| EUR/HKD | 9.036 |
| EUR/CAD | 1.5711 |

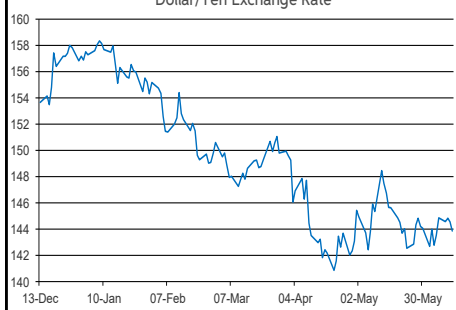
Sterling

| | |
|---------|---------|
| GBP/EUR | 1.1772 |
| GBP/USD | 1.3556 |
| GBP/CAD | 1.8498 |
| GBP/NZD | 2.2449 |
| GBP/JPY | 195.02 |
| GBP/SEK | 12.9168 |
| GBP/DKK | 8.7837 |
| GBP/NOK | 13.608 |
| GBP/CHF | 1.1078 |
| GBP/AUD | 2.0855 |

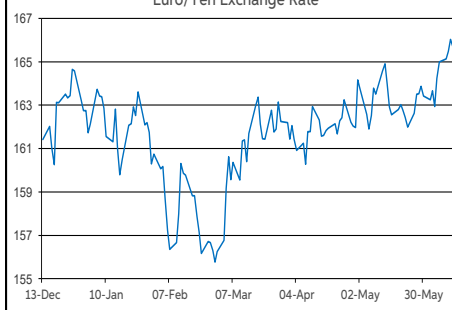
Dollar

| | |
|---------|--------|
| USD/JPY | 143.86 |
| USD/CAD | 1.3648 |
| USD/CHF | 0.8174 |
| USD/CNY | 7.1803 |
| USD/BRL | 5.5368 |
| USD/RUB | 79.45 |
| USD/INR | 85.554 |
| AUD/USD | 0.6497 |
| NZD/USD | 0.6035 |

Dollar/Yen Exchange Rate

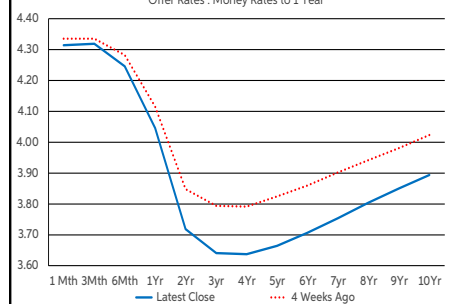


Euro/Yen Exchange Rate



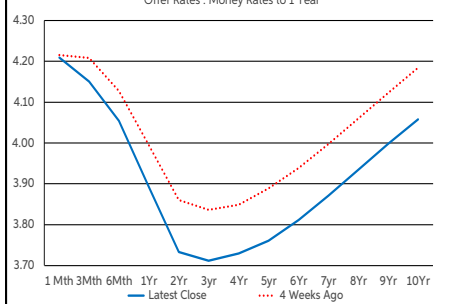
US Swap Curve

Offer Rates : Money Rates to 1 Year



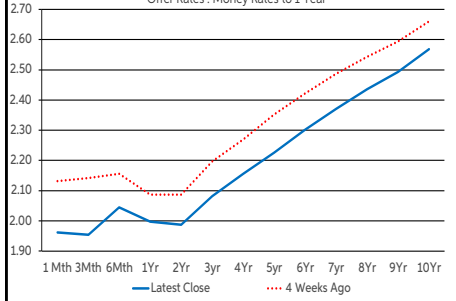
UK Swap Curve

Offer Rates : Money Rates to 1 Year

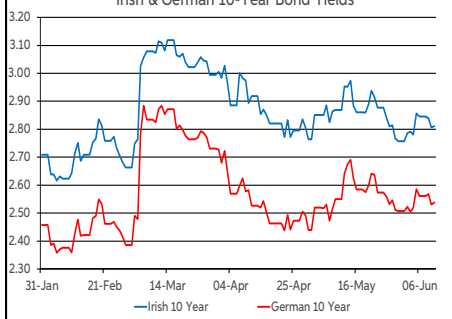


Eurozone Swap Curve

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 | 4.41 | -6 | -11 | -16 |
| Germany | 2.54 | +1 | -15 | +18 |
| UK | 4.55 | +1 | -17 | -2 |
| Ireland | 2.85 | +0 | -15 | +20 |
| Belgium | 3.08 | +2 | -16 | +10 |
| France | 3.23 | +2 | -15 | +4 |
| Italy | 3.47 | +2 | -26 | -5 |
| Spain | 3.12 | +2 | -20 | +6 |
| Portugal | 3.02 | +2 | -18 | +17 |
| Greece | 3.26 | +1 | -21 | +1 |
| 5 Year Swap % | | | | |
| US | 3.93 | -6 | -14 | -36 |
| Eurozone | 2.22 | +0 | -13 | -1 |
| UK | 4.00 | -1 | -13 | -28 |
| 2 Year Swap % | | | | |
| US | 3.99 | -6 | -8 | -34 |
| Eurozone | 1.98 | -0 | -10 | -21 |
| UK | 3.96 | -1 | -13 | -53 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 31 | -0 | +1 | +3 |
| Belgium | 54 | +1 | -1 | -8 |
| France | 69 | +1 | +0 | -14 |
| Italy | 93 | +1 | -10 | -23 |
| Spain | 58 | +1 | -4 | -12 |
| Portugal | 48 | +1 | -3 | -1 |
| Greece | 72 | +0 | -6 | -17 |

Commodities

| | % Change | | | |
|----------------|----------|-------|---------|--------|
| | Close | Day | 4 Weeks | End 24 |
| Brent Oil | 69.77 | +4.34 | +5.57 | -6.52 |
| West Texas Oil | 71.65 | -0.17 | -1.90 | -1.27 |
| Gold \$ | 3353.3 | +0.94 | +5.50 | +27.80 |

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