

## Fed FOMC meeting outcome in focus

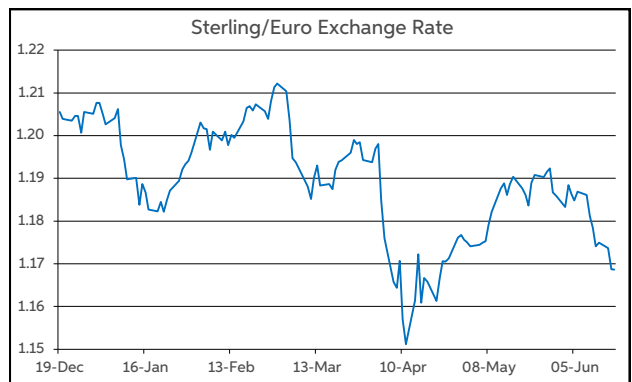
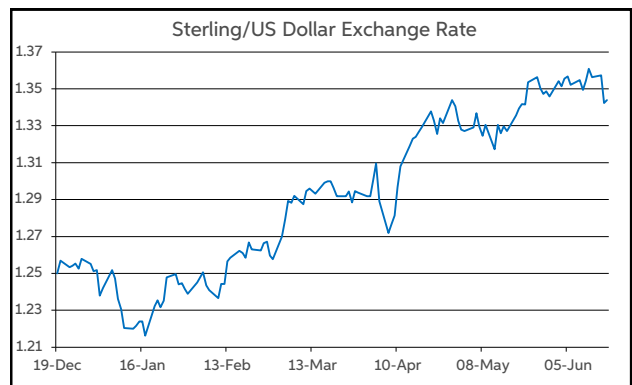
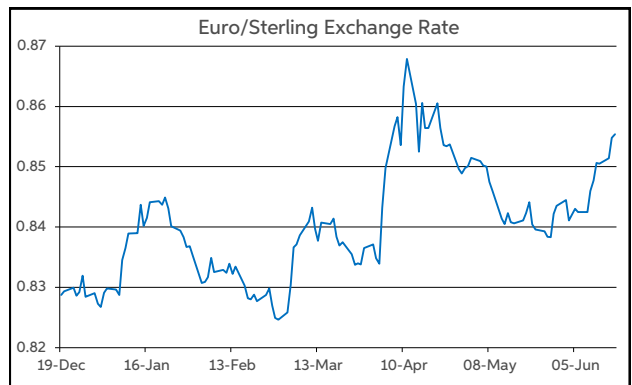
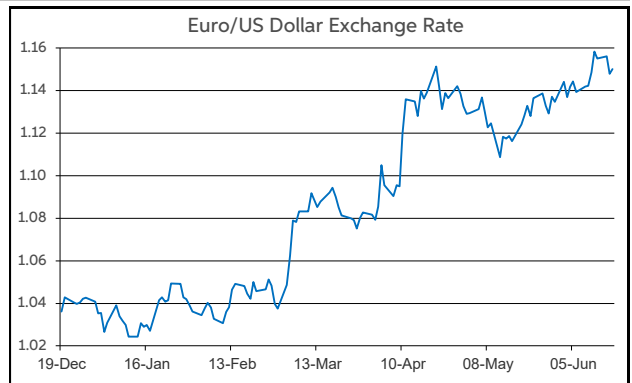
There was a cautious tone to investor sentiment yesterday, amid the ongoing escalation of tensions in the Middle East. Some disappointing US data also provided an unhelpful backdrop for risk appetite yesterday. Overall, this saw the Euro Stoxx 50 decline by 1.0%, while on Wall Street, the S&P 500 fell by 0.8%.

Data-wise, both US retail sales and industrial production were a touch softer than anticipated in May. Headline retail sales contracted by 0.9% in the month (vs. -0.7% f'cast), although the control measure (a key core sales metric) rose by 0.4% (vs. +0.3% f'cast). Meantime, industrial production edged 0.2% lower in May, albeit this was offset by an upward revision to +0.1% in April. Elsewhere, US homebuilder sentiment deteriorated to 32.0 in June (vs. 34.0 f'cast).

On the currency front, the dollar was holding a somewhat firmer tone, amid the risk averse mood on markets. At the same time, sterling was under dome downward pressure. Overall, the greenback gained circa 0.5% against the euro and around 1% versus sterling. In level terms, the stronger dollar is evidenced by EUR/USD opening this morning down at the \$1.15 threshold. Meanwhile, GBP/USD is changing hands back in the lower half of \$1.34-1.35. EUR/GBP is up at the midpoint of the 85-86p band.

Already this morning, UK CPI has printed in-line with expectations. Both the headline and the core rate eased to 3.4% and 3.5%. The release has coincided with a slight strengthening of sterling in early trading. The remainder of today's data calendar is sparse. However, after the European close, the focus will be on the Fed monetary policy decision. The FOMC is widely expected to leave rates on hold, meaning the spotlight will be on the updated summary of economic projections, including the interest rate dotplot. The post-meeting press conference with Chair Powell will also warrant attention, as investors look for guidance on the future path of US interest rates.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1502	-0.50	11.10
EUR/GBP	0.8554	0.46	3.40
GBP/USD	1.3439	-0.97	7.42
GBP/EUR	1.1683	-0.46	-3.29
USD/JPY	144.99	0.29	-7.76
EUR/JPY	166.77	-0.23	2.47

\* 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	4.32	4.05	3.99	3.93
EUR	2.00	1.92	2.00	2.01	2.02	2.27
GBP	4.25	4.19	4.14	3.89	3.97	4.02

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
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# Opening Levels

Wednesday 18 June 2025  
06:52 am



## Euro

EUR/GBP	0.8554
EUR/USD	1.1501
EUR/JPY	166.77
EUR/SEK	10.9663
EUR/DKK	7.458
EUR/NOK	11.4107
EUR/CHF	0.9389
EUR/AUD	1.7685
EUR/HKD	9.0265
EUR/CAD	1.5711

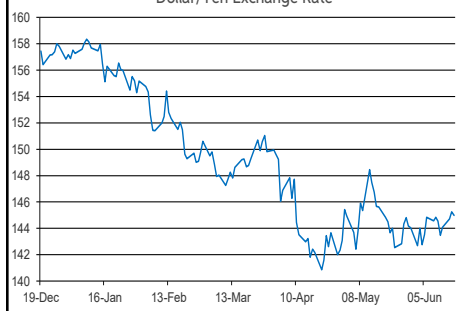
## Sterling

GBP/EUR	1.1683
GBP/USD	1.3439
GBP/CAD	1.8356
GBP/NZD	2.2273
GBP/JPY	194.84
GBP/SEK	12.8093
GBP/DKK	8.7137
GBP/NOK	13.3326
GBP/CHF	1.0972
GBP/AUD	2.0666

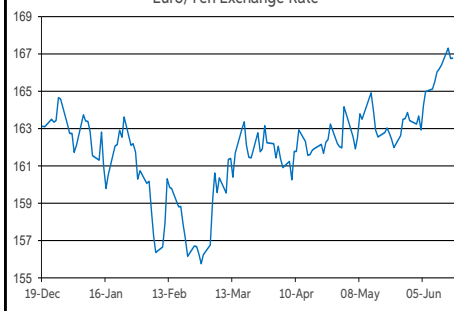
## Dollar

USD/JPY	144.98
USD/CAD	1.3657
USD/CHF	0.8162
USD/CNY	7.1806
USD/BRL	5.5437
USD/RUB	78.6
USD/INR	86.3575
AUD/USD	0.65
NZD/USD	0.6032

Dollar/Yen Exchange Rate

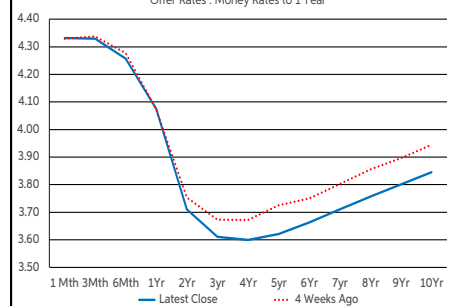


Euro/Yen Exchange Rate



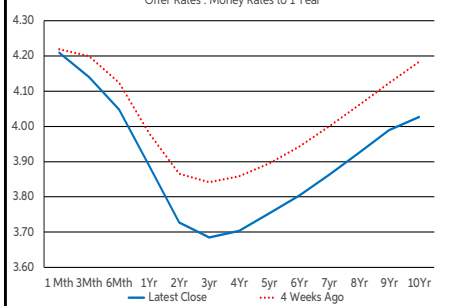
US Swap Curve

Offer Rates : Money Rates to 1 Year



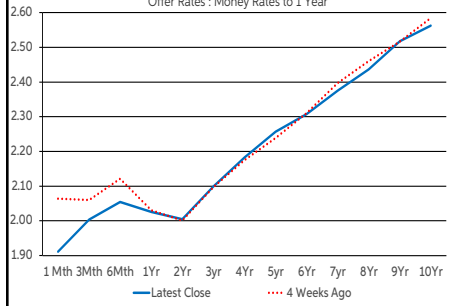
UK Swap Curve

Offer Rates : Money Rates to 1 Year

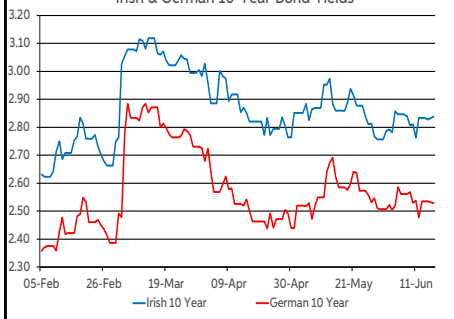


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.42	+7	-1	-15
Germany	2.54	+6	-5	+17
UK	4.55	+7	-9	-2
Ireland	2.87	+7	-0	+22
Belgium	3.11	+8	-2	+13
France	3.26	+7	-1	+6
Italy	3.49	+7	-12	-3
Spain	3.16	+8	-5	+10
Portugal	3.05	+7	-5	+20
Greece	3.30	+3	-10	+5
5 Year Swap %				
US	3.87	+0	-12	-42
Eurozone	2.23	+2	-1	-1
UK	3.99	+4	-11	-30
2 Year Swap %				
US	3.98	+3	-6	-36
Eurozone	2.01	+4	-0	-18
UK	3.94	-3	-11	-54
10 Year Government Bond Spreads to Benchmark bps				
Ireland	34	+1	+5	+5
Belgium	57	+2	+3	-4
France	72	+1	+4	-11
Italy	95	+1	-7	-20
Spain	63	+2	-0	-8
Portugal	51	+2	+0	+3
Greece	77	-3	-5	-12

## Commodities

	Close	Day	4 Weeks	End 24
Brent Oil	74.23	+7.02	+13.48	-0.55
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3432.2	+1.42	+7.18	+30.81

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