

US trade tariffs take effect

There was a mixed mood on markets at the start of the week. The Euro Stoxx 50 gained 1.4%, led by a rally in defence companies, as European countries discussed increasing defence expenditure. Meantime, on Wall Street, the S&P 500 lost 1.8%, as planned US tariffs on Canadian, Mexican & Chinese goods took effect, and US data missed to the downside.

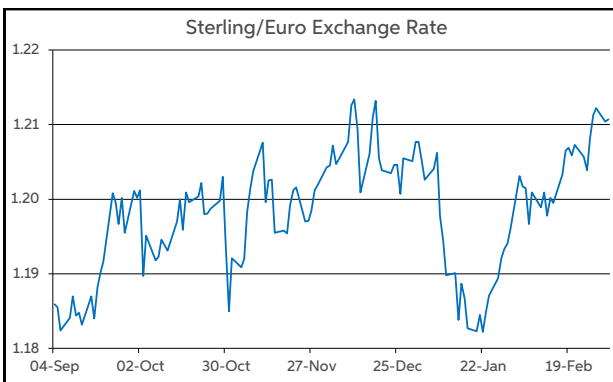
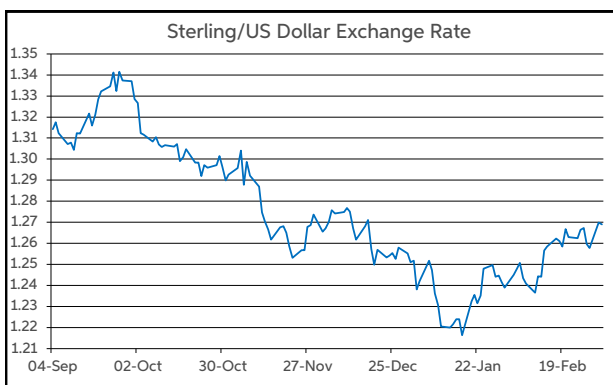
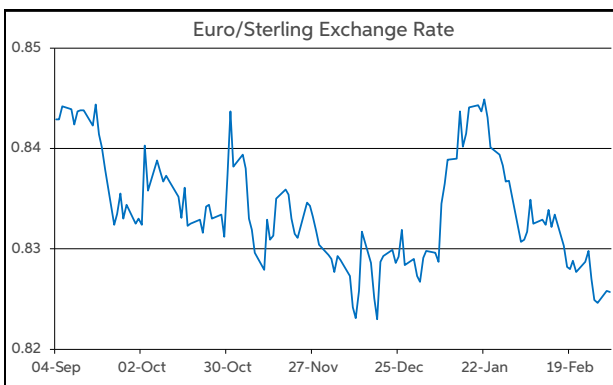
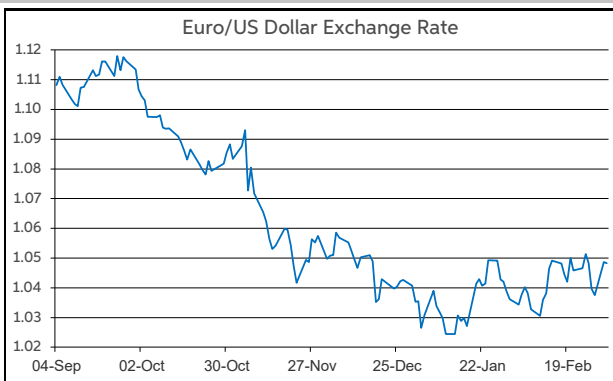
The US manufacturing ISM declined to 50.3 in February (vs. 50.8 f'cast), consistent with a modest pace of expansion in the sector. However, the underlying details of the survey showed that new orders contracted in the month, and that input costs jumped to their highest level since June 2022. Furthermore, the survey also suggest that the sector shed jobs in the month.

Elsewhere on the data front, the flash reading of Eurozone HICP inflation printed broadly in-line with expectations. The headline rate edged back to 2.4% in February (vs. 2.3% f'cast), while the core rate inched down to 2.6% from 2.7%. However, the market reaction to the release was limited.

Currency-wise, the dollar was under some downward pressure yesterday. Overall, the greenback declined by circa 0.7% versus the euro and sterling. This is evidenced by EUR/USD opening this morning in the top half of \$1.04-1.05. GBP/USD is changing hands up near the \$1.27 handle. Meanwhile, EUR/GBP continues to operate just north of the midpoint of the 82-83p band.

Today, the main data release will be the Eurozone unemployment rate for January. Meantime, President Trump is expected to outline his domestic and foreign-policy agenda in a speech to a joint session of Congress, which will be of keen interest to investors.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0483	0.66	1.26
EUR/GBP	0.8257	-0.04	-0.19
GBP/USD	1.269	0.69	1.43
GBP/EUR	1.2105	0.04	0.19
USD/JPY	149.37	-0.69	-4.97
EUR/JPY	156.6	-0.03	-3.78

* 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	4.30	4.29	4.01	4.08	3.97
EUR	2.90	2.46	2.46	2.24	2.15	2.20
GBP	4.50	4.44	4.40	4.17	4.29	4.19

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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

Tuesday 04 March 2025
06:46 am



Euro

EUR/GBP	0.8257
EUR/USD	1.0483
EUR/JPY	156.6
EUR/SEK	11.0412
EUR/DKK	7.4581
EUR/NOK	11.7535
EUR/CHF	0.9387
EUR/AUD	1.6892
EUR/HKD	8.1518
EUR/CAD	1.5185

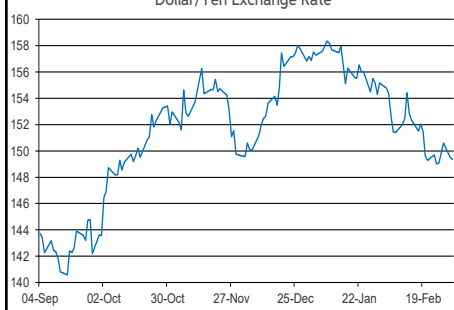
Sterling

GBP/EUR	1.2105
GBP/USD	1.269
GBP/CAD	1.838
GBP/NZD	2.2625
GBP/JPY	189.58
GBP/SEK	13.3653
GBP/DKK	9.0256
GBP/NOK	14.2276
GBP/CHF	1.1362
GBP/AUD	2.0441

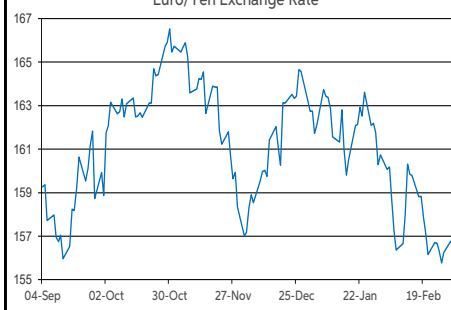
Dollar

USD/JPY	149.37
USD/CAD	1.4484
USD/CHF	0.8954
USD/CNY	7.2842
USD/BRL	5.8852
USD/RUB	89.35
USD/INR	87.375
AUD/USD	0.6204
NZD/USD	0.5605

Dollar/Yen Exchange Rate

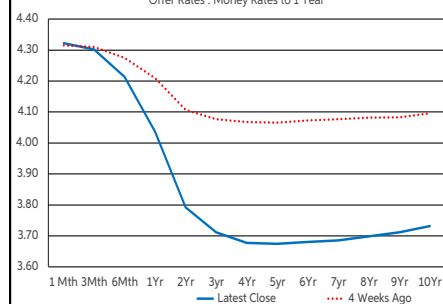


Euro/Yen Exchange Rate



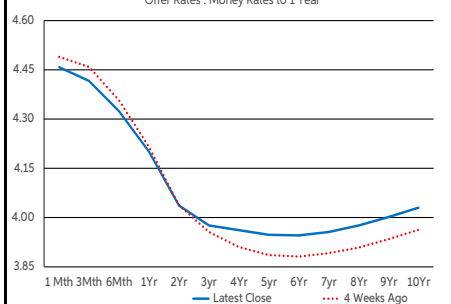
US Swap Curve

Offer Rates : Money Rates to 1 Year



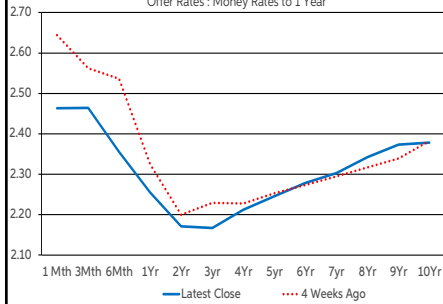
UK Swap Curve

Offer Rates : Money Rates to 1 Year

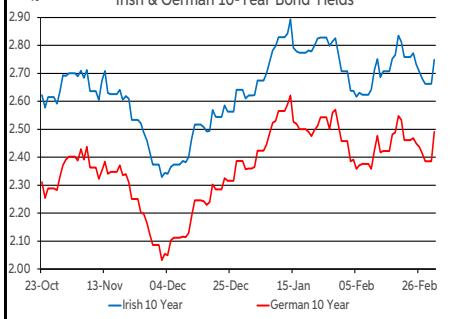


Eurozone Swap Curve

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	4.18	-5	-36	-40
Germany	2.49	+10	+10	+13
UK	4.56	+8	+7	-1
5 Year Swap %				
US	3.93	-4	-37	-36
Eurozone	2.24	+7	-1	-0
UK	4.19	+4	+4	-10
2 Year Swap %				
US	4.05	-4	-30	-29
Eurozone	2.17	+4	-2	-2
UK	4.28	+4	+0	-21
10 Year Government Bond Spreads to Benchmark bps				
Ireland	28	-2	+2	-1
Belgium	58	-1	-2	-4
France	73	-3	+0	-11
Italy	105	-4	-7	-10
Spain	66	-4	-1	-4
Portugal	52	-3	+0	+3
Greece	87	-2	-3	-1

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	71.62	-2.13	-5.71	-4.05
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2893.7	+1.23	+2.85	+10.29

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