

EUR/USD starts the week above \$1.08

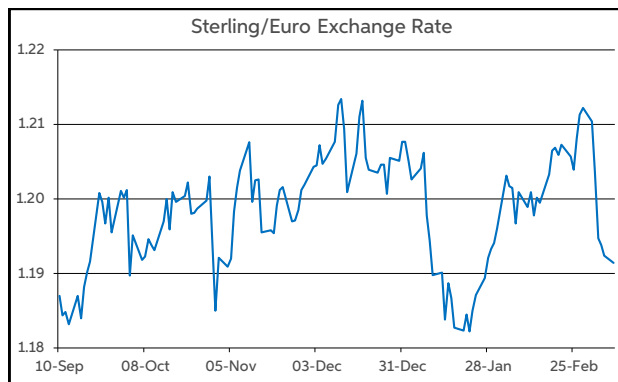
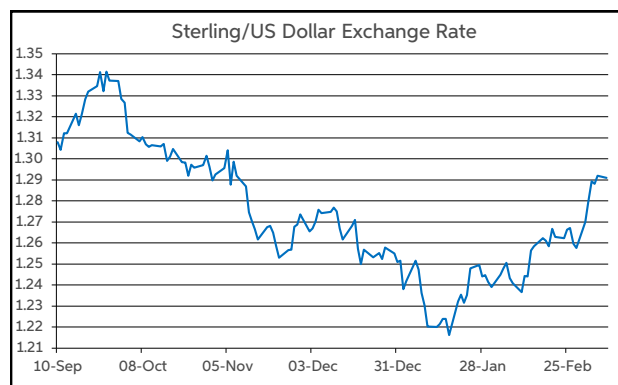
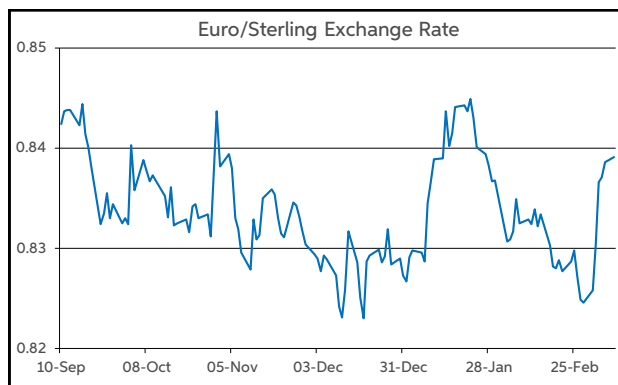
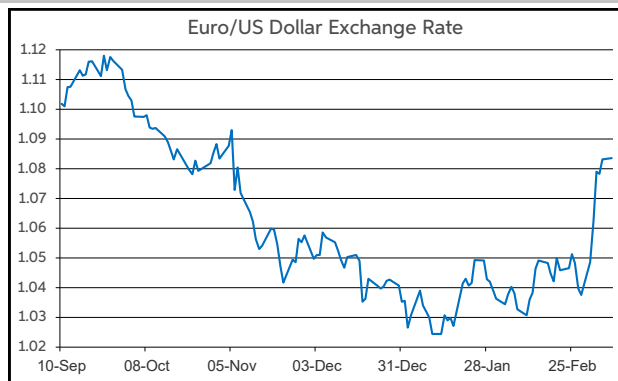
Throughout last week, geopolitics, US tariff policy uncertainty and plans to increase fiscal spending in Germany as well as the EU level impacted financial markets. Data-wise, a soft US labour market report on Friday also influenced market sentiment. Meantime, on the monetary policy front, the ECB lowered rates by 25bps as expected. However, the overarching message from the central bank was that the policy outlook has become less clear.

Against this backdrop, trading conditions were volatile across a number of different asset classes. Most notably, plans to increase German government spending contributed to a sharp rise in Bund yields, with the 10-year up by over 40bps on the week. Elsewhere, US Treasury yields fell by circa 4bps at the front-end but rose by 1-7bps at the back-end of the curve, amid growing concerns on the US economic outlook. US futures contracts softened, with around 75bps of policy easing now priced-in by year-end.

Currency-wise, the euro was firmly in the ascendancy as German yields moved significantly higher. At the same time, the dollar was on the defensive. Overall, the greenback shed 4% against the single currency and lost around 2% versus the yen and sterling. This is reflected by EUR/USD opening this morning up in the \$1.08 -1.09 range, having been near \$1.04 last Monday. GBP/USD is operating above the \$1.29 mark. USD/JPY is down at the midpoint of ¥147-148. Elsewhere, EUR/GBP is in and around the 84p handle.

Geopolitics and tariff related newsflow are likely to remain in focus again this week on markets. In terms of the key releases, the main highlight will be US CPI inflation for February. In the UK, the monthly reading of UK GDP for January is due. In the Eurozone, industrial production data (January) will feature.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0836	0.22	4.67
EUR/GBP	0.8391	0.01	1.43
GBP/USD	1.2909	0.21	3.18
GBP/EUR	1.1912	-0.01	-1.41
USD/JPY	147.51	0.04	-6.15
EUR/JPY	159.85	0.26	-1.78

* 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	4.32	4.30	4.01	4.09	4.05
EUR	2.65	2.46	2.53	2.35	2.34	2.53
GBP	4.50	4.45	4.40	4.18	4.28	4.23

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

Monday 10 March 2025
07:45 am



Euro

EUR/GBP	0.8391
EUR/USD	1.0836
EUR/JPY	159.85
EUR/SEK	10.9309
EUR/DKK	7.4582
EUR/NOK	11.7114
EUR/CHF	0.9523
EUR/AUD	1.7142
EUR/HKD	8.4168
EUR/CAD	1.5561

Sterling

GBP/EUR	1.1912
GBP/USD	1.2909
GBP/CAD	1.8536
GBP/NZD	2.2523
GBP/JPY	190.41
GBP/SEK	13.019
GBP/DKK	8.8835
GBP/NOK	13.9436
GBP/CHF	1.1343
GBP/AUD	2.0424

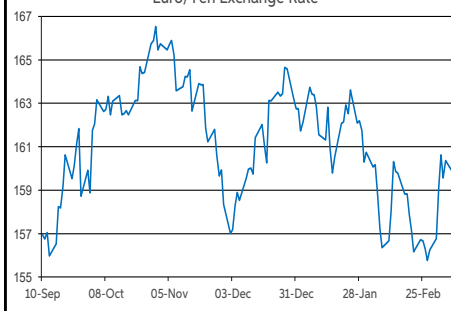
Dollar

USD/JPY	147.51
USD/CAD	1.4359
USD/CHF	0.8787
USD/CNY	7.2617
USD/BRL	5.7905
USD/RUB	89.9955
USD/INR	87.245
AUD/USD	0.632
NZD/USD	0.5729

Dollar/Yen Exchange Rate

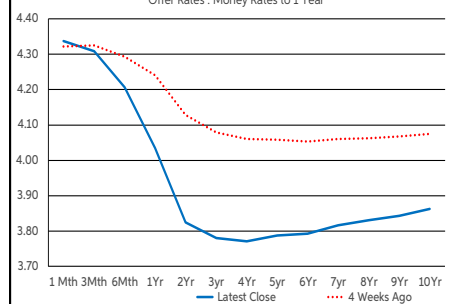


Euro/Yen Exchange Rate



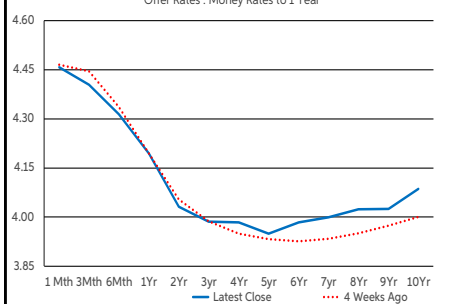
US Swap Curve

Offer Rates : Money Rates to 1 Year



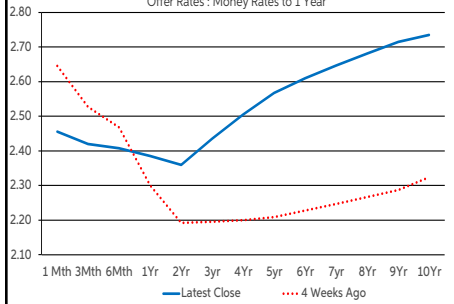
UK Swap Curve

Offer Rates : Money Rates to 1 Year

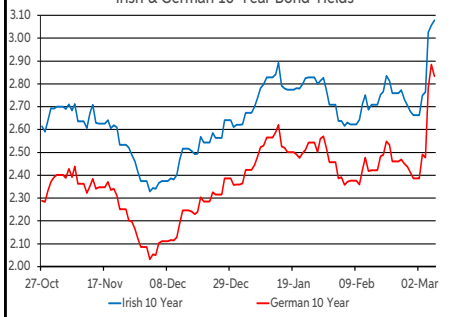


Eurozone Swap Curve

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	4.32	+4	-17	-26
Germany	2.84	-5	+46	+47
UK	4.65	-3	+17	+7
Ireland	3.11	+0	+45	+46
Belgium	3.40	-5	+44	+41
France	3.55	-2	+47	+36
Italy	3.91	-2	+44	+38
Spain	3.50	-2	+45	+43
Portugal	3.37	-3	+47	+52
Greece	3.67	-9	+41	+42
5 Year Swap %				
US	4.03	-0	-28	-26
Eurozone	2.56	+6	+36	+32
UK	4.22	-3	+8	-6
2 Year Swap %				
US	4.07	+2	-31	-27
Eurozone	2.35	+3	+17	+16
UK	4.28	-2	+3	-20
10 Year Government Bond Spreads to Benchmark bps				
Ireland	27	+5	-1	-2
Belgium	56	+0	-2	-6
France	72	+3	+1	-11
Italy	107	+3	-2	-9
Spain	66	+2	-0	-4
Portugal	54	+2	+1	+5
Greece	84	-4	-5	-5

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	70.36	+1.30	-5.76	-5.73
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2910.8	+0.03	+1.76	+10.94

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