

Spotlight on US tariff plans this week

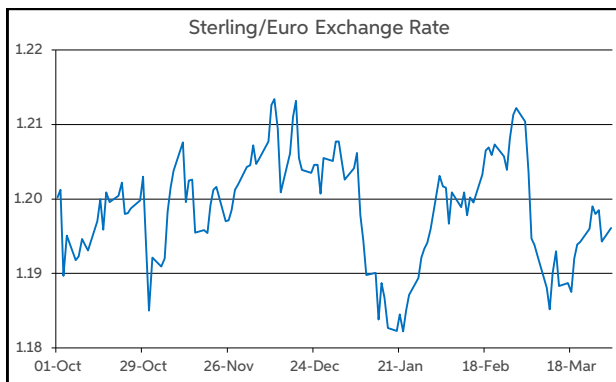
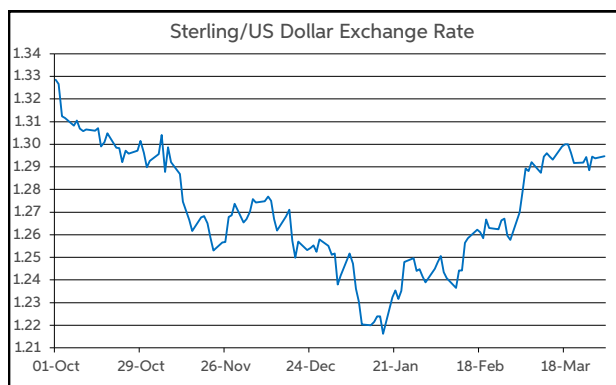
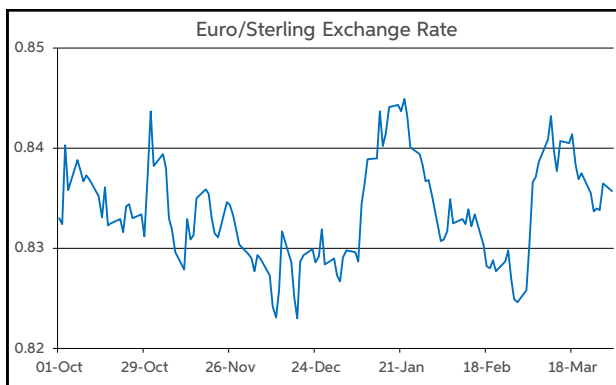
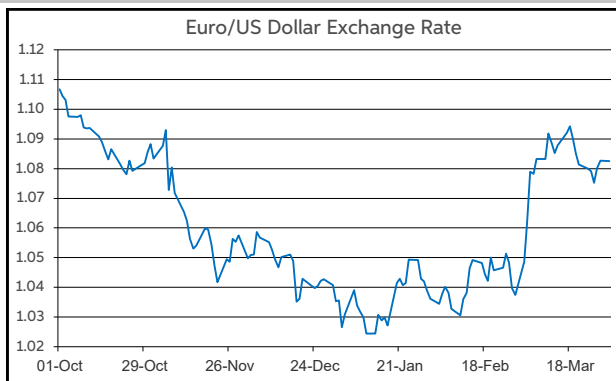
The month of March has been characterised by a risk averse mood. This has coincided with elevated global trade tensions amid tariff policy uncertainty originating from the White House. At the same time, concerns have increased over the outlook for the US economy on the back of some disappointing macro data. The 'risk off' mood is reflected in the S&P 500 being 6% lower in March.

Currency-wise, there has been a significant weakening of the dollar and more volatile trading conditions. The greenback has lost between 3-4% on the exchanges. Given the US was the source of much of the reasons for the risk averse mood, the dollar did not benefit from the usual safe haven demand flows. Instead, concerns over the US economic outlook, saw a softening in US rate expectations which meant interest rate differentials weighed on the dollar. The euro was boosted by major new European fiscal spending plans, particularly from Germany.

In level terms, EUR/USD traded up to a YTD high of \$1.095, before settling nearer to \$1.08 as we head into month end. The pair had started March below \$1.04. Meanwhile, GBP/USD also registered a fresh YTD peak just above \$1.30, and opens this morning near the midpoint of the \$1.29-1.30 band. Elsewhere, the action in EUR/GBP was less eventful this month, trading in a 82.4p-84.4p range.

The 'trade policy' issues that dominated much of March will remain to the fore in April. Indeed, this week (Wednesday) they will be front and centre, with the White House due to announce details of its new tariff plans. This provides plenty of event risk for markets, including the dollar. Data-wise, there are also some important releases including US payrolls and Eurozone flash HICP inflation (both March).

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0826	0.33	4.57
EUR/GBP	0.8357	0.25	1.02
GBP/USD	1.2948	0.08	3.49
GBP/EUR	1.1959	-0.25	-1.01
USD/JPY	149	-1.17	-5.20
EUR/JPY	161.32	-0.84	-0.88

* 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	4.27	3.92	3.97	3.90
EUR	2.65	2.34	2.33	2.21	2.15	2.36
GBP	4.50	4.45	4.35	4.17	4.30	4.27

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 31 March 2025
07:05 am



Euro

EUR/GBP	0.8357
EUR/USD	1.0826
EUR/JPY	161.32
EUR/SEK	10.827
EUR/DKK	7.4608
EUR/NOK	11.3637
EUR/CHF	0.9527
EUR/AUD	1.7243
EUR/HKD	8.4215
EUR/CAD	1.5499

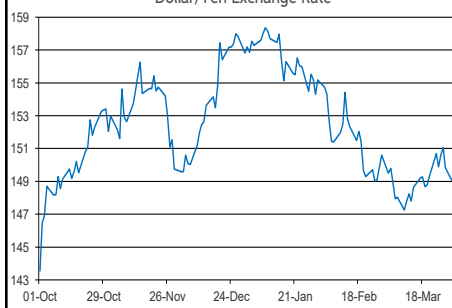
Sterling

GBP/EUR	1.1959
GBP/USD	1.2948
GBP/CAD	1.8536
GBP/NZD	2.2679
GBP/JPY	192.93
GBP/SEK	12.9503
GBP/DKK	8.9207
GBP/NOK	13.5907
GBP/CHF	1.1392
GBP/AUD	2.0617

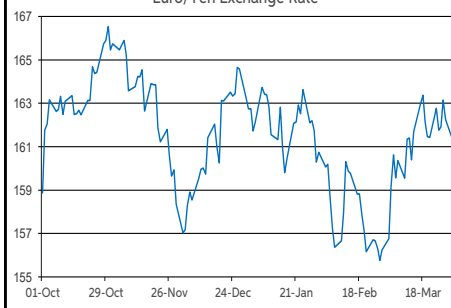
Dollar

USD/JPY	149
USD/CAD	1.4317
USD/CHF	0.8798
USD/CNY	7.2528
USD/BRL	5.7587
USD/RUB	85.2
USD/INR	85.501
AUD/USD	0.6277
NZD/USD	0.5706

Dollar/Yen Exchange Rate

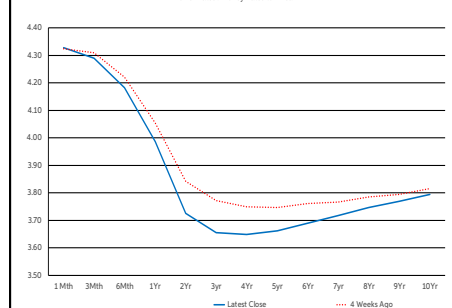


Euro/Yen Exchange Rate



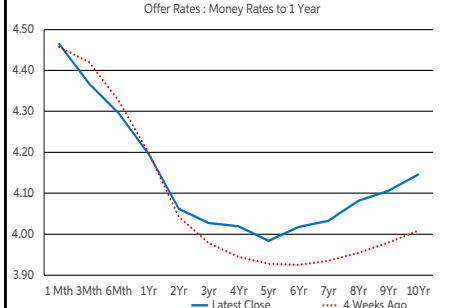
US Swap Curve

Offer Rates - Money Rates to 1 Year



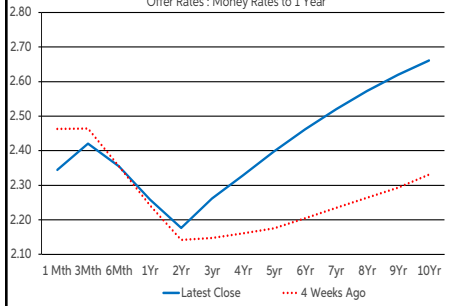
UK Swap Curve

Offer Rates - Money Rates to 1 Year

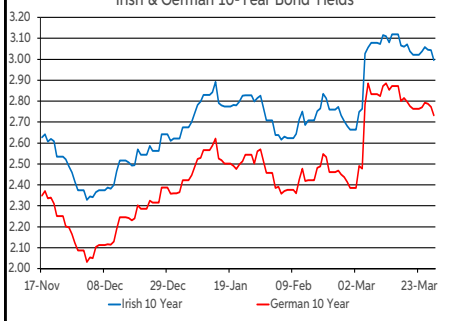


Eurozone Swap Curve

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	4.26	-11	+3	-32
Germany	2.73	-4	+35	+37
UK	4.70	-8	+22	+13
Ireland	3.02	-5	+34	+37
Belgium	3.28	-4	+31	+30
France	3.44	-3	+30	+24
Italy	3.85	-3	+38	+33
Spain	3.36	-3	+28	+30
Portugal	3.25	-4	+32	+40
Greece	3.60	-4	+32	+35
5 Year Swap %				
US	3.93	-10	-5	-36
Eurozone	2.38	-5	+21	+14
UK	4.22	-11	+8	-6
2 Year Swap %				
US	3.97	-11	-11	-36
Eurozone	2.17	-4	+4	-2
UK	4.26	-7	+2	-23
10 Year Government Bond Spreads to Benchmark bps				
Ireland	29	-0	-1	+0
Belgium	55	+1	-4	-7
France	71	+1	-5	-13
Italy	112	+2	+3	-4
Spain	63	+1	-7	-7
Portugal	52	+0	-3	+3
Greece	87	+0	-3	-2

Commodities

	Close	Day	4 Weeks	End 24
Brent Oil	73.63	-0.54	+0.61	-1.35
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3084.0	+0.91	+7.89	+17.54

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