Morning Comment

AIB Treasury Economic Research Unit



Friday 02 May 2025 07:38 am

US payrolls and Eurozone inflation in focus today

US equity indices continued to move higher yesterday, amid a relatively quiet day on markets. This was partly owing to a market holiday across most of mainland Europe. Overall, the S&P 500 gained 1.1%, supported by some strong Q1 earnings updates in the tech sector, and by reports that China is evaluating an offer from the US to hold trade talks.

Data-wise, the main release of note was the US manufacturing ISM for April. The headline index printed above the consensus (48.0), but edged slightly lower to 48.7 in the month, consistent with a slightly faster pace of contraction. The underlying details of the survey also showed that employment and new orders remained weak in April. However, the data had no material impact on investor sentiment.

On the currency front, the dollar remained in the ascendancy yesterday. However, the greenback handed back most of its gains against the euro and sterling overnight. At the same time, the yen continued to come under some downward pressure, following the latest BoJ meeting outcome (a dovish hold). The yen has seen a further 1% fall across over the past 24 hours.

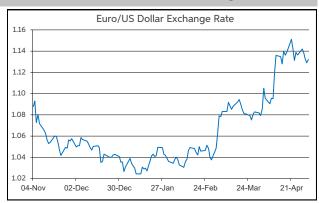
As trading gets underway this morning, EUR/USD is operating in the lower half of the \$1.13-1.14 range. GBP/USD is changing hands down just above the \$1.33 threshold. Meantime, USD/JPY is north of ¥145. EUR/GBP remains in and around the 85p handle.

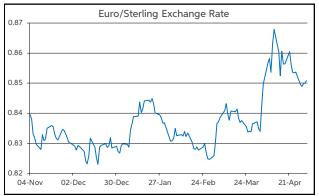
Today, a busy data schedule will feature the latest US labour market report and the flash estimate of Eurozone inflation for April. US payrolls are forecast to rise more slowly, by 130k in April, while the consensus is for the unemployment rate to be unchanged at 4.2%. In the Eurozone, headline inflation is expected to edge back to 2.1% and the core rate is projected to remain at 2.5%. The data pose some event risk for markets.

Daniel Noonan, Economist, AIB

Today's Opening FX Rates					
		% Change			
		Day *	End 2024		
EUR/USD	1.1323	0.19	9.37		
EUR/GBP	0.8508	0.07	2.84		
GBP/USD	1.3308	0.12	6.37		
GBP/EUR	1.1752	-0.07	-2.76		
USD/JPY	145.25	0.96	-7.59		
EUR/JPY	164.49	1.14	1.07		
* v Previous Day's European Open					
See Next Page for More Rates					

Opening Interest Rates							
	Money Market				Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr	
USD	4.38	4.32	4.26	3.81	3.77	3.74	
EUR	2.40	2.17	2.16	1.98	1.93	2.17	
GBP	4.50	4.24	4.16	3.79	3.85	3.89	









All rates quoted are indicative market rates

See Next Page For More Rates &

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Opening Levels



Eui	o
EUR/GBP	0.8508
EUR/USD	1.1323
EUR/JPY	164.49
EUR/SEK	10.99
EUR/DKK	7.4624
EUR/NOK	11.7725
EUR/CHF	0.9372
EUR/AUD	1.7652
EUR/HKD	8.7822
EUR/CAD	1.5633

Sterling					
GBP/EUR	1.1752				
GBP/USD	1.3308				
GBP/CAD	1.837				
GBP/NZD	2.2429				
GBP/JPY	193.3				
GBP/SEK	12.9144				
GBP/DKK	8.7661				
GBP/NOK	13.829				
GBP/CHF	1.1017				
GBP/AUD	2.0744				

Dollar					
USD/JPY	145.25				
USD/CAD	1.3807				
USD/CHF	0.8276				
USD/CNY	7.2706				
USD/BRL	5.6729				
USD/RUB	82				
USD/INR	83.842				
AUD/USD	0.6412				
NZD/USD	0.593				



US Swap Curve

4.40

4.30

4.20

4.10

4.00

3.90

3.80

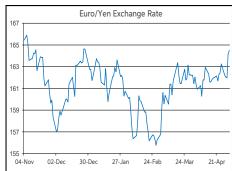
3.70

3.60

3.50

3.40

3.30



4.50

4.40

4.30

4.20

4.10

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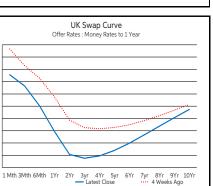
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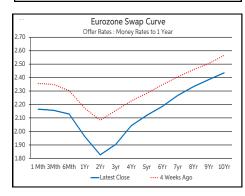
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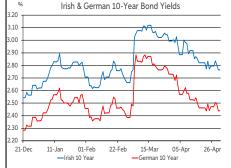
3.60

3.50





1 Mth 3Mth 6Mth 1Yr 2Yr 3yr 4Yr 5yr 6Yr 7yr 8Yr 9Yr 10Yr Latest Close 4 Weeks Ago



	Debt	Markets		
			Change bps	
	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.23	+6	+18	-35
Germany	2.44	-5	-20	+8
UK	4.48	+4	-4	-9
Ireland	2.80	-5	-20	+15
Belgium	3.03	-5	-18	+5
France	3.17	-5	-21	-3
Italy	3.58	-4	-19	+6
Spain	3.11	-5	-19	+5
Portugal	3.01	-5	-18	+16
Greece	3.34	-3	-16	+9
5 Year Swap %				
US	3.69	+8	+0	-60
Eurozone	2.11	+0	-17	-13
UK	3.88	+2	-18	-40
2 Year Swap %				
US	3.71	+9	-6	-62
Eurozone	1.82	-6	-26	-37
UK	3.84	+1	-28	-65
10 Year Governme	ent Bond Spread	s to Benchn	nark bps	
Ireland	36	+0	+0	+7
Belgium	59	+0	+2	-3
France	73	+0	-O	-11
Italy	114	+1	+1	-2
Spain	67	-O	+2	-3
Portugal	57	+1	+2	+8
Greece	90	+2	+4	+1

Commodities							
		% Change					
	Close	Close Day 4 Weeks End 24					
Brent Oil	62.13	-1.57	-11.42	-16.76			
West Texas Oil	71.65	-0.17	-1.90	-1.27			
Gold \$	3240.3	-1.44	+4.09	+23.50			

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