

Dollar hands back some of its recent gains

The positive mood on markets at the start of the week carried into yesterday, as investors continued to digest the reduction in US-China trade tariffs. At the same time, a slew of better than anticipated data releases also provided a supportive backdrop for risk appetite. This contributed to a 0.4% rise for the Euro Stoxx 50. Meantime, the S&P 500 gained 0.7% on the day, and moved back into positive territory for the year in the process.

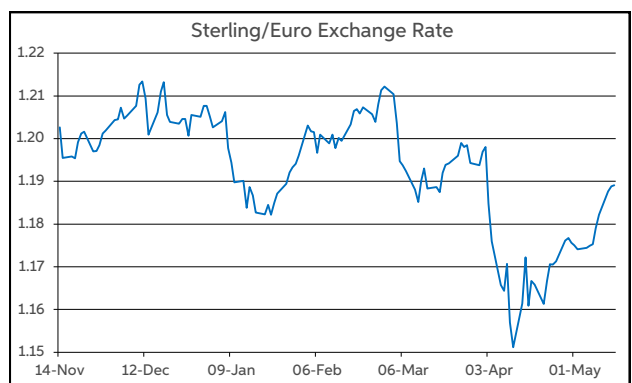
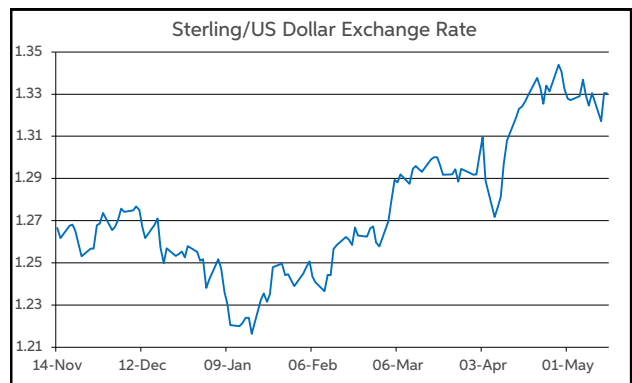
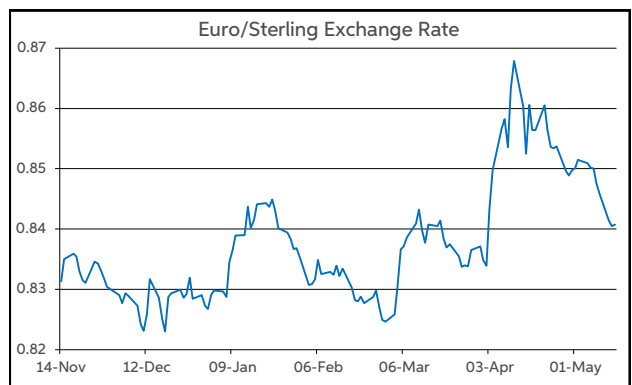
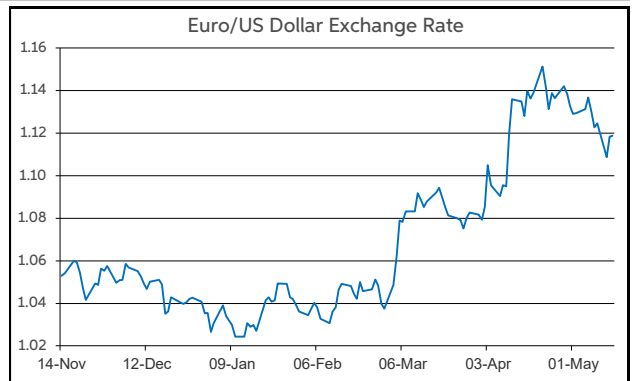
Data-wise, the main release of note was US CPI inflation for April. The headline rate declined to 2.3% in the month (vs. 2.4% f'cast), its lowest level since February 2021. However, the core rate remained elevated at 2.8% (as expected), albeit this was the first time it has stayed below 3% for two consecutive months, since Q1 2021. Elsewhere in the US, NFIB Small business optimism fell to 95.8 in April from 97.4, but this was above the 95.0 consensus. Similarly, in the Eurozone, the German ZEW printed above the forecast, rising to 25.2 (vs. 11.9 f'cast) in May.

On the currency front, the dollar handed back some of its gains from Monday. However, there was no obvious catalyst for the move. Overall, the greenback declined by between 0.5-0.8% against the euro, sterling and yen.

As trading gets underway this morning, the weaker dollar is evidenced by EUR/USD changing hands up in the top half of the \$1.11-1.12 range. GBP/USD is at the \$1.33 handle. Elsewhere, EUR/GBP continues to operate just above the 84p mark. USD/JPY is back below the ¥147 threshold.

Turning to the day ahead, the macro calendar is quite light on both sides of the Atlantic. The main highlights will be the final readings of German and Spanish inflation for April. However, the data are unlikely to impact currency markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1189	0.66	8.07
EUR/GBP	0.8407	-0.14	1.62
GBP/USD	1.3304	0.79	6.34
GBP/EUR	1.1889	0.14	-1.59
USD/JPY	146.96	-0.50	-6.50
EUR/JPY	164.45	0.15	1.04

* 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	4.32	4.06	4.07	4.03
EUR	2.40	2.12	2.14	2.08	2.07	2.33
GBP	4.25	4.20	4.19	3.94	4.04	4.07

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
---------	----------------------------	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

Opening Levels

Wednesday 14 May 2025
06:42 am



Euro

EUR/GBP	0.8407
EUR/USD	1.1189
EUR/JPY	164.45
EUR/SEK	10.8739
EUR/DKK	7.4596
EUR/NOK	11.5736
EUR/CHF	0.9384
EUR/AUD	1.7272
EUR/HKD	8.7338
EUR/CAD	1.5579

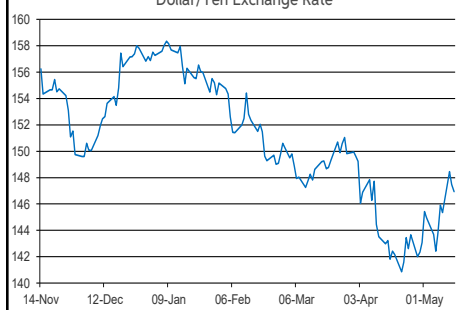
Sterling

GBP/EUR	1.1889
GBP/USD	1.3304
GBP/CAD	1.8522
GBP/NZD	2.2373
GBP/JPY	195.52
GBP/SEK	12.9297
GBP/DKK	8.8703
GBP/NOK	13.7628
GBP/CHF	1.1161
GBP/AUD	2.0533

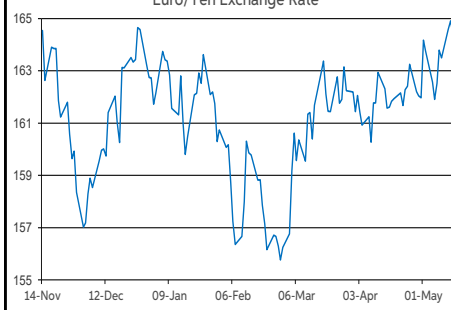
Dollar

USD/JPY	146.96
USD/CAD	1.3922
USD/CHF	0.8385
USD/CNY	7.2129
USD/BRL	5.6076
USD/RUB	80.5
USD/INR	85.322
AUD/USD	0.6478
NZD/USD	0.5944

Dollar/Yen Exchange Rate

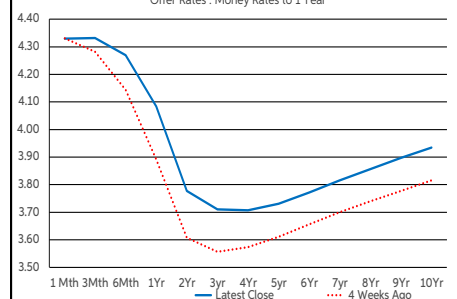


Euro/Yen Exchange Rate



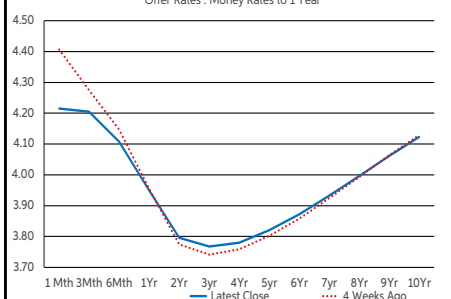
US Swap Curve

Offer Rates : Money Rates to 1 Year



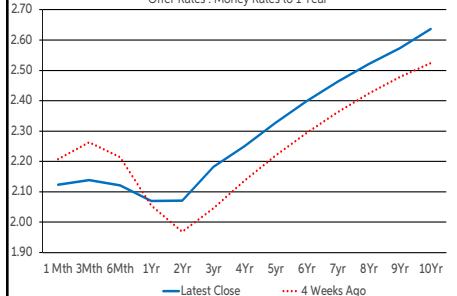
UK Swap Curve

Offer Rates : Money Rates to 1 Year

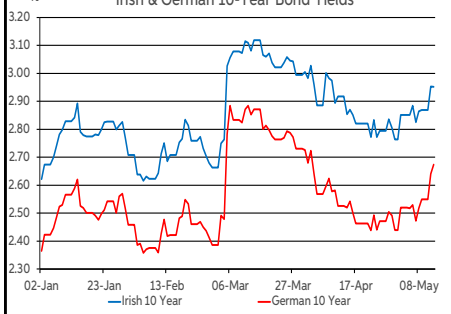


Eurozone Swap Curve

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	4.50	+4	+18	-8
Germany	2.68	+3	+13	+31
UK	4.68	+3	+3	+10
Ireland	2.98	+1	+8	+33
Belgium	3.23	+3	+7	+24
France	3.35	+3	+6	+16
Italy	3.71	+3	-1	+19
Spain	3.30	+3	+6	+23
Portugal	3.19	+3	+4	+34
Greece	3.46	+0	+0	+21

5 Year Swap %				
US	3.99	-1	+14	-30
Eurozone	2.32	+1	+11	+9
UK	4.06	-1	+2	-22

2 Year Swap %				
US	4.04	-0	+17	-29
Eurozone	2.07	+1	+10	-12
UK	4.03	-1	+2	-46

10 Year Government Bond Spreads to Benchmark bps				
Ireland	31	-2	-5	+2
Belgium	55	-0	-6	-7
France	68	-0	-7	-15
Italy	104	-1	-14	-12
Spain	62	-0	-7	-8
Portugal	51	-0	-9	+2
Greece	78	-3	-13	-10

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	66.63	+2.57	+3.03	-10.73
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3247.4	+0.42	+0.61	+23.77

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.