Morning Comment

AIB Treasury Economic Research Unit



Tuesday 27 May 2025 06:29 am

Dollar edges off its lows

There was some firming in risk appetite yesterday. This followed the 'risk off' end to last week on the back of President Trump's '50% tariff threat' on EU imports. Investors took some relief on Monday from weekend news that President Trump was pushing the deadline for the tariff hike from June 1st to July 9th, to allow more time for trade talks between the US and EU.

The improvement was reflected in European equity markets, with Wall Street closed for the Memorial Day holiday. The Euro Stoxx 50 posted a 1.3% gain on the day, after falling by 1.8% on Friday. The German Dax index was 1.7% higher at the close yesterday evening.

On the currency front, the action amongst the majors was confined to narrow ranges. The data calendar was very quiet with no top tier releases being published. Of the moves that did register, the dollar managed to stabilise after a challenging end to last week amid the tariff news. It has remained on the defensive over the past 24 hours, but is off its recent lows.

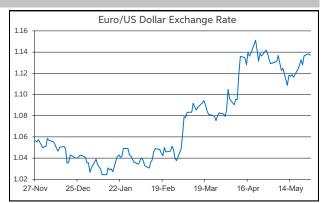
In level terms, EUR/USD has edged back below the \$1.14 mark, while GBP/USD is trading near to the midpoint of \$1.35-1.36, having opened yesterday within a whisker of the \$1.36 threshold. The USD/JPY pair has moved higher to regain the ¥143 level. Elsewhere, EUR/GBP continues to operate within a tight band just under the 84p handle.

Looking ahead to today, US markets re-open after their long weekend and the macro data calendar has a busier agenda. In Europe, we get the EC economic sentiment survey for May. Across the Atlantic, today's macro highlights are the US durable goods report for April and the Conference Board measure of US consumer confidence for May. Market participants will also be mindful of any further trade/tariff news.

John Fahey, Senior Economist, AIB

Today's Opening FX Rates					
roday's Opening 17 Nates					
		% Change			
		Day *	End 2024		
EUR/USD	1.137	-0.34	9.82		
EUR/GBP	0.8392	-0.07	1.44		
GBP/USD	1.3542	-0.28	8.24		
GBP/EUR	1.1909	0.07	-1.42		
USD/JPY	143.27	0.50	-8.85		
EUR/JPY	162.94	0.17	0.12		
* 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	4.32	4.09	4.03	3.96	
EUR	2.40	2.09	2.04	1.98	1.97	2.23	
GBP	4.25	4.20	4.18	3.97	4.11	4.13	









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
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Opening Levels



Euro	
EUR/GBP	0.8392
EUR/USD	1.137
EUR/JPY	162.94
EUR/SEK	10.8409
EUR/DKK	7.4595
EUR/NOK	11.5048
EUR/CHF	0.935
EUR/AUD	1.7595
EUR/HKD	8.9113
EUR/CAD	1.5628

Sterling					
GBP/EUR	1.1909				
GBP/USD	1.3542				
GBP/CAD	1.8614				
GBP/NZD	2.2675				
GBP/JPY	194.02				
GBP/SEK	12.9137				
GBP/DKK	8.8809				
GBP/NOK	13.7042				
GBP/CHF	1.1137				
GBP/AUD	2.0952				

Dollar				
USD/JPY	143.27			
USD/CAD	1.3747			
USD/CHF	0.822			
USD/CNY	7.1923			
USD/BRL	5.6676			
USD/RUB	79.8			
USD/INR	85.288			
AUD/USD	0.6462			
NZD/USD	0.5969			



US Swap Curve

4.40

4.30

4.20

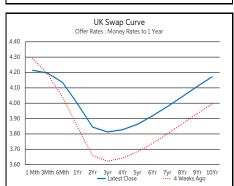
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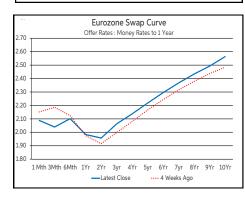
3.90

3.80 3.70 3.60 3.50 3.40

3.30







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



	Debt	Markets		
			Change bps	
	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.51	-4	+30	-7
Germany	2.56	-1	+5	+20
UK	4.68	-7	+18	+11
Ireland	2.88	-3	+0	+23
Belgium	3.10	-2	+1	+11
France	3.24	-3	+1	+4
Italy	3.56	-5	-8	+3
Spain	3.18	-2	+0	+11
Portugal	3.07	-2	+2	+22
Greece	3.33	-1	-5	+8
 5 Year Swap %				
US	3.93	+0	+24	-36
Eurozone	2.21	-2	+7	-2
UK	4.08	-2	+15	-20
2 Year Swap %				
US	4.01	+0	+30	-32
Eurozone	1.95	-1	+4	-24
UK	4.07	-1	+17	-42
 10 Year Governme	ent Bond Spread	s to Benchr	nark bps	
Ireland	31	-2	-5	+3
Belgium	54	-1	-4	-8
France	68	-2	-5	-15
Italy	99	-4	-13	-16
Spain	62	-1	-5	-8
Portugal	51	-1	-3	+2
Greece	77	+0	-10	-12

Commodities						
		% Change				
	Close Day 4 Weeks End					
Brent Oil	64.74	-0.06	-1.70	-13.26		
West Texas Oil	71.65	-0.17	-1.90	-1.27		
Gold \$	3342.8	-0.42	+0.04	+27.40		

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