

## Dollar on the front-foot

The firmer tone to risk appetite persisted yesterday, as US investors returned following their long-weekend and digested the delay to higher tariffs on EU imports. Positive data releases also supported market sentiment. The EC economic sentiment indicator improved to 94.8 (vs. 94.0 f'cast) in May, and US consumer confidence rebounded to 98.0 (vs. 87.0 f'cast) in the month. Against this backdrop, the Euro Stoxx 50 rose by 0.4%, while on Wall Street, the S&P 500 gained 2.0%.

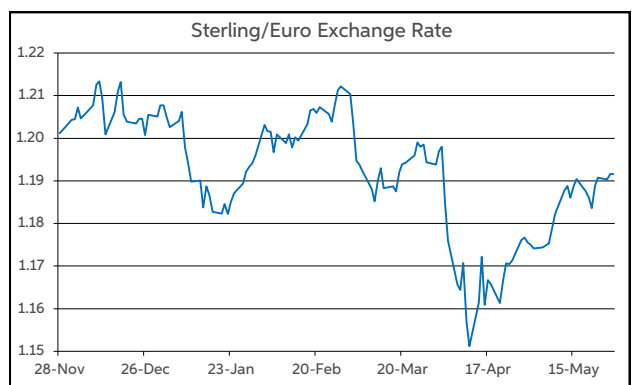
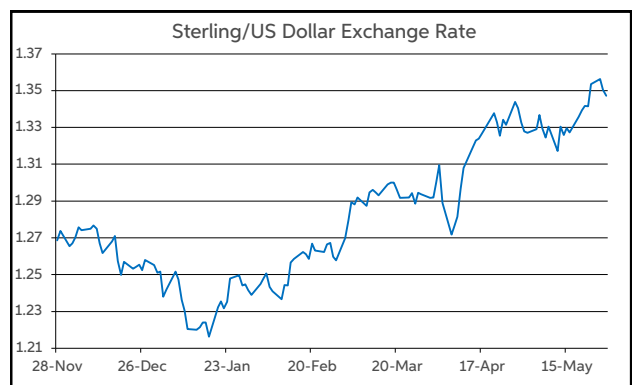
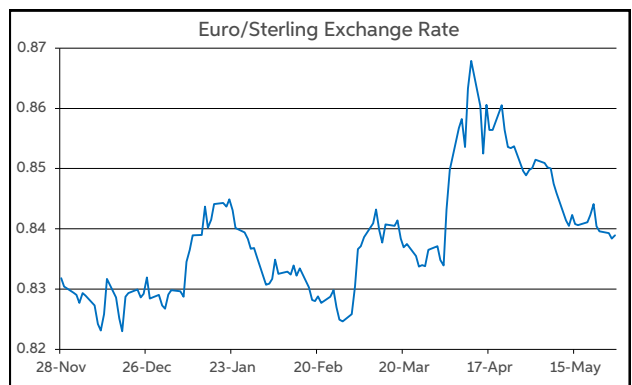
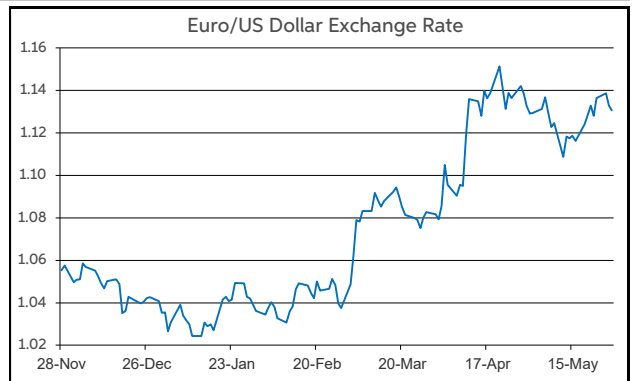
Meantime, bond yields moved lower across the board, most notably at the long-end of the curve. The move was led by a sharp drop in Japanese 30-year yields, as reports emerged that authorities may issue fewer long-dated instruments. The reduction in US trade tensions and a downside print in French inflation (0.6% vs. 0.9% f'cast) also contributed to the downward move in yields. Overall, US Treasuries, German Bunds and UK Gilt yields were 3-7bps lower.

On the currency front, the main pairs remained confined to relatively tight ranges. Of the limited price action to note, the dollar was on the front-foot. Meanwhile, the yen has been on the defensive, amid the larger fall in Japanese yields. The greenback has moved around 0.6% higher against the euro and sterling, and is up by circa 1.1% versus the yen over the past 24 hours.

As trading gets underway this morning, this is reflected by USD/JPY starting today north of the ¥144 threshold. Elsewhere, EUR/USD is down near the \$1.13 handle. GBP/USD is operating back below the \$1.35 level. EUR/GBP remains just below the 84p mark.

Turning to the day ahead, the European slate is quite sparse. However, the latest Fed FOMC meeting minutes will be released after the European close. Elsewhere in terms of monetary policy, remarks from a number of Fed officials will also warrant attention.

**Daniel Noonan Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1307	-0.62	9.21
EUR/GBP	0.8389	-0.06	1.40
GBP/USD	1.3473	-0.59	7.69
GBP/EUR	1.1914	0.06	-1.38
USD/JPY	144.41	1.09	-8.12
EUR/JPY	163.3	0.46	0.34

\* 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	4.33	4.08	4.04	3.97
EUR	2.40	2.10	2.04	1.97	1.96	2.20
GBP	4.25	4.20	4.19	4.00	4.10	4.12

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

Wednesday 28 May 2025  
06:54 am



## Euro

EUR/GBP	0.8389
EUR/USD	1.1307
EUR/JPY	163.3
EUR/SEK	10.9077
EUR/DKK	7.4583
EUR/NOK	11.5054
EUR/CHF	0.9364
EUR/AUD	1.7575
EUR/HKD	8.8616
EUR/CAD	1.5638

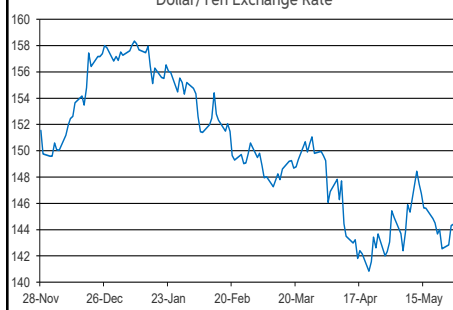
## Sterling

GBP/EUR	1.1914
GBP/USD	1.3473
GBP/CAD	1.8633
GBP/NZD	2.262
GBP/JPY	194.56
GBP/SEK	12.9925
GBP/DKK	8.8826
GBP/NOK	13.7083
GBP/CHF	1.1153
GBP/AUD	2.0936

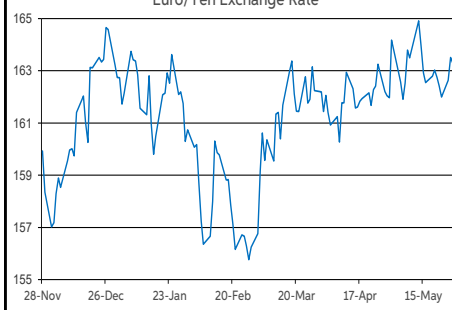
## Dollar

USD/JPY	144.41
USD/CAD	1.3831
USD/CHF	0.8278
USD/CNY	7.1973
USD/BRL	5.6377
USD/RUB	80.1
USD/INR	85.6425
AUD/USD	0.6432
NZD/USD	0.5953

Dollar/Yen Exchange Rate

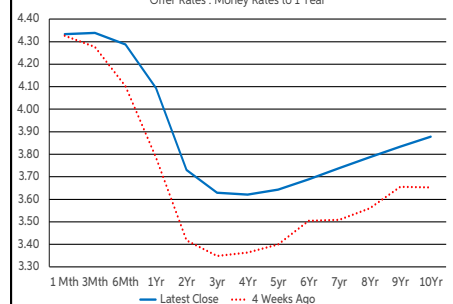


Euro/Yen Exchange Rate



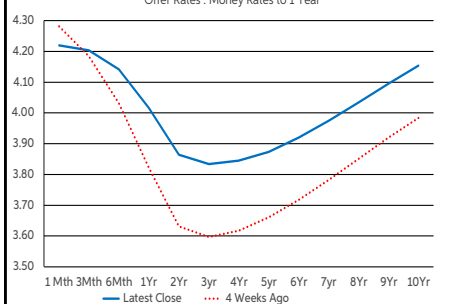
US Swap Curve

Offer Rates : Money Rates to 1 Year



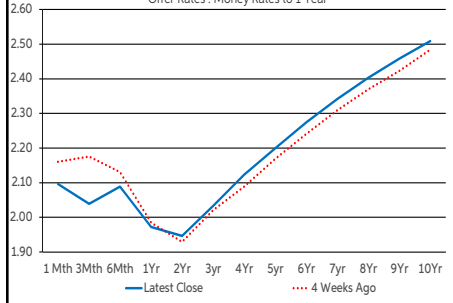
UK Swap Curve

Offer Rates : Money Rates to 1 Year

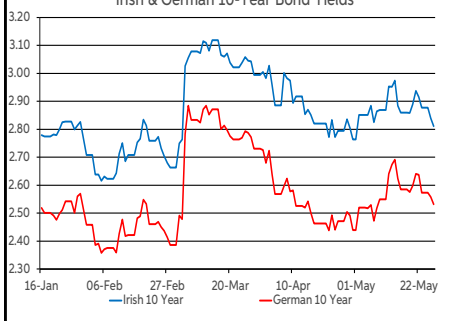


Eurozone Swap Curve

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	4.51	-4	+30	-7
Germany	2.53	-3	+4	+17
UK	4.67	-2	+18	+9
Ireland	2.83	-4	-2	+18
Belgium	3.07	-3	-1	+8
France	3.21	-3	-1	+2
Italy	3.53	-2	-8	+1
Spain	3.14	-4	-2	+8
Portugal	3.03	-4	-2	+18
Greece	3.31	-2	-6	+6
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5 Year Swap %				
US	3.91	-2	+26	-38
Eurozone	2.20	-2	+3	-4
UK	4.11	+3	+22	-17
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2 Year Swap %				
US	3.99	-2	+34	-34
Eurozone	1.94	-1	+2	-25
UK	4.09	+3	+24	-39
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10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	-2	-6	+1
Belgium	53	-0	-5	-9
France	68	+0	-5	-15
Italy	100	+1	-13	-16
Spain	61	-1	-7	-9
Portugal	50	-1	-6	+1
Greece	78	+1	-11	-11

## Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	64.09	-1.00	-0.25	-14.13
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3299.6	-1.29	-0.50	+25.75

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