

## Dollar benefits from US court ruling on tariffs

Investor sentiment was holding a cautious tone throughout the European session yesterday, amid a barren data calendar. This was reflected by the Euro Stoxx 50 falling by 0.7%. Meantime in the US, risk appetite soured heading into the close. A hawkish tone to the latest Fed meeting minutes and reports that the US government had told firms to stop selling critical technologies (software for semiconductors, certain chemicals etc.) to China, weighed on sentiment. This saw the S&P 500 decline by 0.6% yesterday.

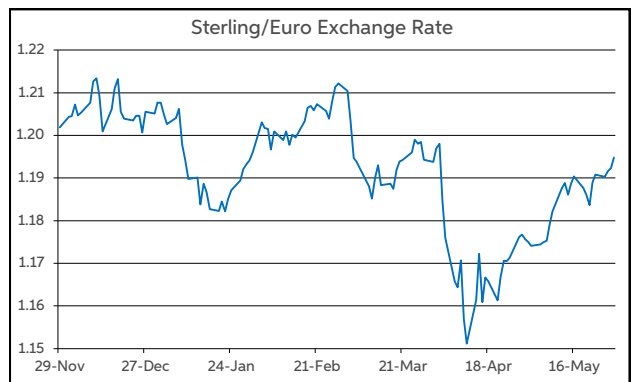
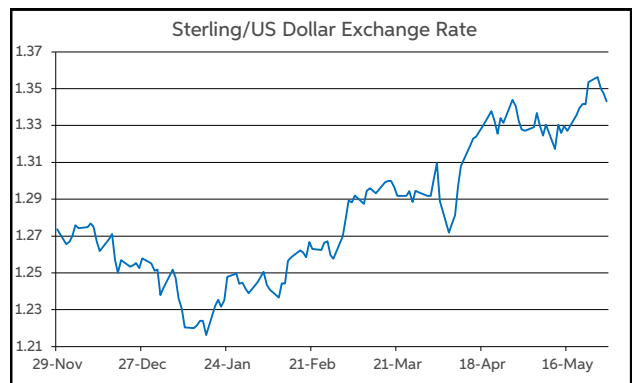
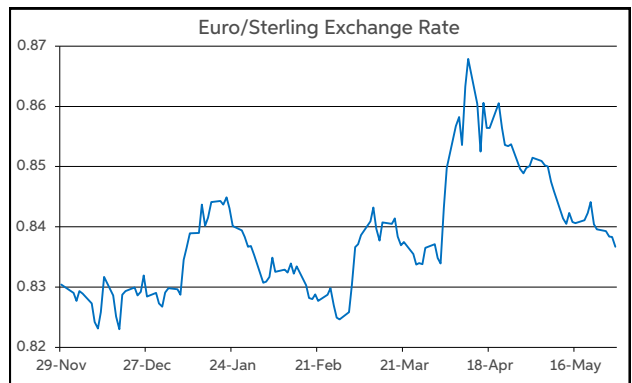
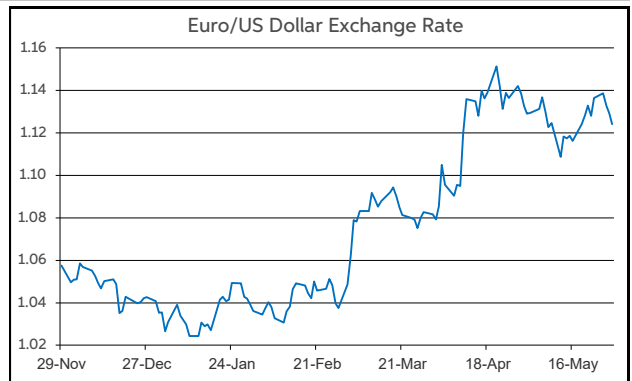
After the US market close, the US Court of International Trade blocked the White House from implementing some key aspects of its tariff policy. The administration has said it will appeal the decision. Regardless, the ruling resulted in an immediate boost to investor sentiment overnight, with benchmark Asian equity indices moving higher (Nikkei up 1.7%). Furthermore, equity futures across Europe and in the US are also pointing higher this morning.

Currency-wise, the majors continued to operate in very narrow ranges throughout yesterday. However, the dollar took the ascendancy once again overnight, supported by the US court ruling and a slight firming in US futures after the release of the Fed meeting minutes. At the same time, currencies such as the euro, yen and Swiss franc - which had initially benefitted the most from US trade policy uncertainty - were on the defensive.

This is evidenced by EUR/USD opening this morning back below the midpoint of \$1.12-1.13, while USD/JPY is up in the top half of the ¥145-146 range. Elsewhere, GBP/USD is changing hands down in the lower half of the \$1.34-1.35 corridor. Meantime, EUR/GBP has declined further, albeit it is still in the upper region of 83-84p.

Looking ahead, today's market discourse will likely be dominated by the reaction to the US tariff policy ruling. The macro calendar is quiet.

**Daniel Noonan Economist, AIB**



| Today's Opening FX Rates |        |          |          |
|--------------------------|--------|----------|----------|
|                          |        | % Change |          |
|                          |        | Day *    | End 2024 |
| EUR/USD                  | 1.1242 | -0.56    | 8.59     |
| EUR/GBP                  | 0.8367 | -0.27    | 1.14     |
| GBP/USD                  | 1.3431 | -0.29    | 7.35     |
| GBP/EUR                  | 1.1945 | 0.27     | -1.12    |
| USD/JPY                  | 145.89 | 1.03     | -7.18    |
| EUR/JPY                  | 164.05 | 0.47     | 0.80     |

\* 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 | 4.10       | 4.09 | 4.01 |
| EUR                    | 2.40         | 2.10  | 2.04 | 1.97       | 1.96 | 2.21 |
| 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<br>Shane Gargan | FX Options | Mark Tuite | Reuters<br>Phone | AIBG.I<br>00353-1-7724018 | Morning Comment | John Fahey<br>john.j.fahey@aib.ie |
|---------|----------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|

# Opening Levels

Thursday 29 May 2025  
06:42 am



## Euro

|         |         |
|---------|---------|
| EUR/GBP | 0.8367  |
| EUR/USD | 1.1242  |
| EUR/JPY | 164.05  |
| EUR/SEK | 10.8839 |
| EUR/DKK | 7.4588  |
| EUR/NOK | 11.4647 |
| EUR/CHF | 0.9366  |
| EUR/AUD | 1.7502  |
| EUR/HKD | 8.8117  |
| EUR/CAD | 1.5566  |

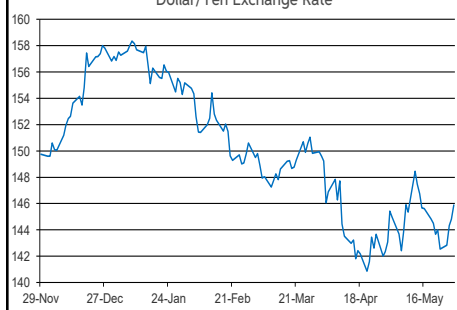
## Sterling

|         |         |
|---------|---------|
| GBP/EUR | 1.1945  |
| GBP/USD | 1.3431  |
| GBP/CAD | 1.8597  |
| GBP/NZD | 2.2602  |
| GBP/JPY | 195.94  |
| GBP/SEK | 13.0051 |
| GBP/DKK | 8.9083  |
| GBP/NOK | 13.6989 |
| GBP/CHF | 1.1186  |
| GBP/AUD | 2.0904  |

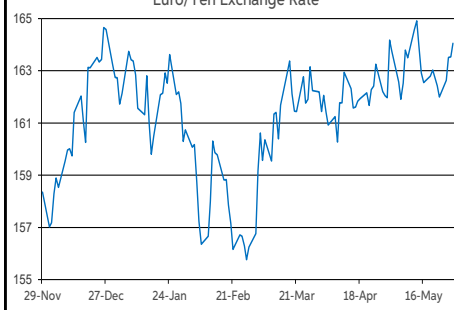
## Dollar

|         |        |
|---------|--------|
| USD/JPY | 145.89 |
| USD/CAD | 1.3848 |
| USD/CHF | 0.8329 |
| USD/CNY | 7.1967 |
| USD/BRL | 5.6377 |
| USD/RUB | 80.1   |
| USD/INR | 85.586 |
| AUD/USD | 0.6422 |
| NZD/USD | 0.5938 |

Dollar/Yen Exchange Rate

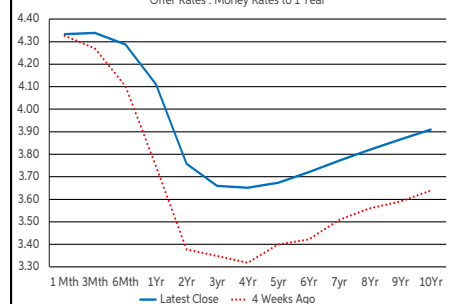


Euro/Yen Exchange Rate



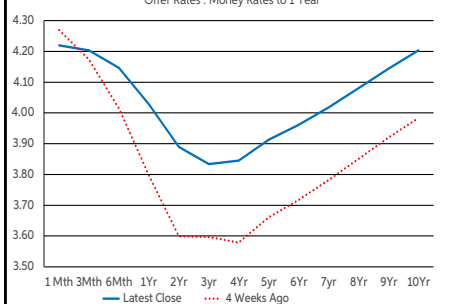
US Swap Curve

Offer Rates : Money Rates to 1 Year



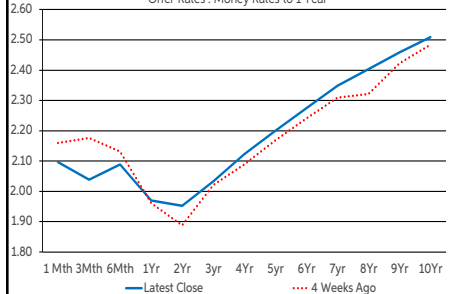
UK Swap Curve

Offer Rates : Money Rates to 1 Year

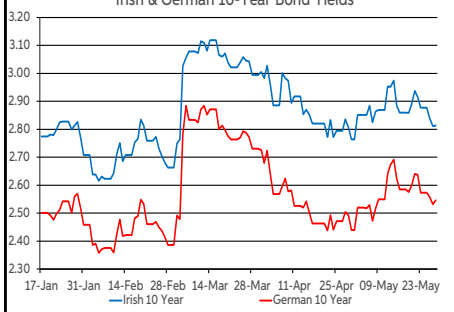


Eurozone Swap Curve

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     |
| 5 Year Swap %                                    |       |            |         |        |
| US   | 3.95  | +2         | +30     | -34    |
| Eurozone   | 2.20  | -2         | +3      | -4     |
| UK   | 4.15  | +7         | +26     | -13    |
| 2 Year Swap %                                    |       |            |         |        |
| US   | 4.02  | +1         | +36     | -32    |
| Eurozone   | 1.95  | +0         | +2      | -24    |
| UK   | 4.11  | +5         | +26     | -37    |
| 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

|                | % Change |       |         |        |
|----------------|----------|-------|---------|--------|
|                | Close    | 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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