

US CPI Inflation due today

There was a positive tone to investor sentiment yesterday, as the US and China agreed to reduce trade tariffs for 90-days following talks over the weekend. The US will reduce tariffs on most Chinese imports to 30%, while China will lower levies on US goods to 10%. Against this backdrop, equity markets rallied, market rate expectations firmed and sovereign bond yields moved higher. At the same time, the dollar was in the ascendancy on currency markets.

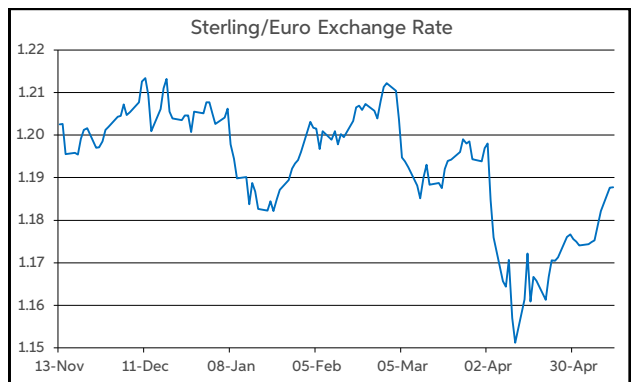
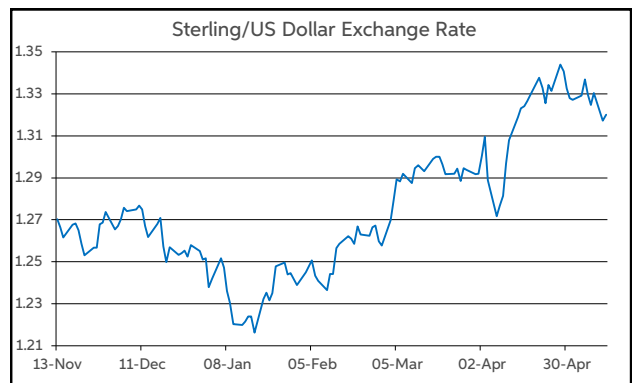
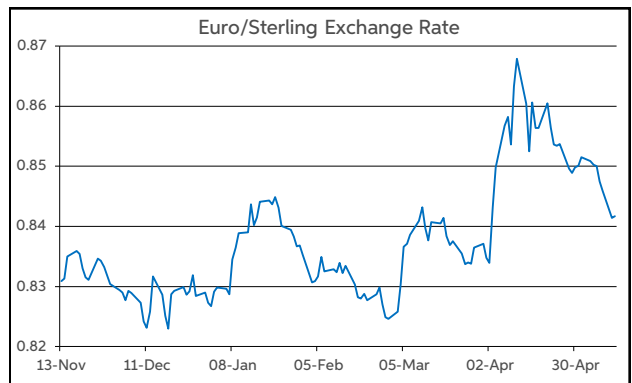
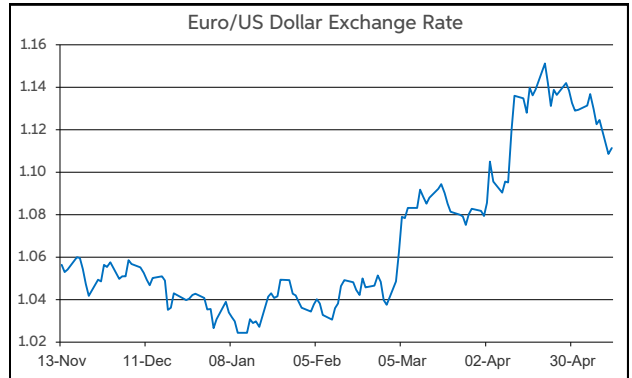
Overall, the Euro Stoxx 50 gained 1.6% yesterday, while the S&P 500 rose by 3.3%. Meantime, markets are now pricing in around two 25bps rate cuts in the US, UK and Eurozone between now and year-end. Previously, closer to three rate cuts was priced-in for all three regions. Amid the firming in rate expectations, benchmark sovereign yields moved 2-15bps higher across the board.

Currency-wise, as mentioned the dollar was on the front-foot. This was reflected by EUR/USD trading to a low of \$1.1065. However, the euro moved off its lows before the close. Overall, the greenback gained around 1.0-1.5% against the euro and the yen yesterday. At the same time, sterling was holding a slightly firmer tone also.

In level terms, EUR/USD opens this morning back close to the \$1.11 threshold, while USD/JPY is hovering up near ¥148 territory. GBP/USD is trading down at the \$1.32 handle. Elsewhere, EUR/GBP is changing hands just above the 84p mark.

Already this morning, UK, labour market data have printed broadly in-line with the consensus. The unemployment rate rose to 4.5% while average earnings growth slowed to +5.5% y/y in March. However, the data have not impacted sterling so far in early trading. Later today, the main release of note will be on US CPI inflation. Expectations are for both the headline and the core rates to be unchanged at 2.4% and 2.8%, respectively, in April.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1115	-0.98	7.36
EUR/GBP	0.8417	-0.37	1.74
GBP/USD	1.3201	-0.62	5.52
GBP/EUR	1.1875	0.37	-1.71
USD/JPY	147.7	1.23	-6.03
EUR/JPY	164.18	0.21	0.88

* 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	4.05	4.08	4.04
EUR	2.40	2.11	2.12	2.06	2.07	2.32
GBP	4.25	4.20	4.19	3.93	4.05	4.07

All rates quoted are indicative market rates

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Opening Levels

Tuesday 13 May 2025
06:18 am



Euro

EUR/GBP	0.8415
EUR/USD	1.1105
EUR/JPY	164.29
EUR/SEK	10.894
EUR/DKK	7.4601
EUR/NOK	11.5887
EUR/CHF	0.937
EUR/AUD	1.7341
EUR/HKD	8.6543
EUR/CAD	1.5512

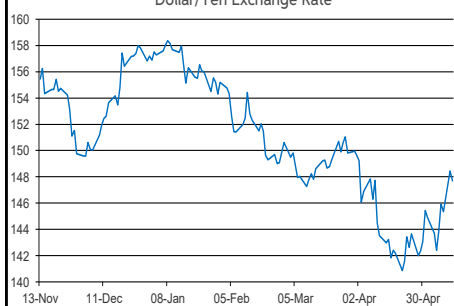
Sterling

GBP/EUR	1.1876
GBP/USD	1.319
GBP/CAD	1.8423
GBP/NZD	2.2404
GBP/JPY	195.09
GBP/SEK	12.9388
GBP/DKK	8.8599
GBP/NOK	13.757
GBP/CHF	1.1128
GBP/AUD	2.0591

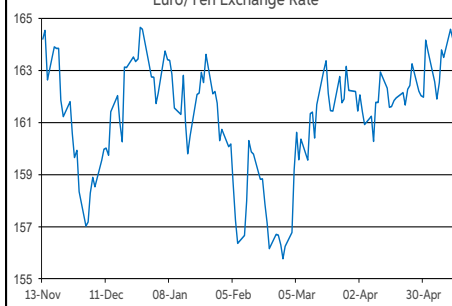
Dollar

USD/JPY	147.91
USD/CAD	1.3968
USD/CHF	0.8434
USD/CNY	7.1934
USD/BRL	5.6699
USD/RUB	80.7
USD/INR	84.919
AUD/USD	0.6402
NZD/USD	0.5884

Dollar/Yen Exchange Rate

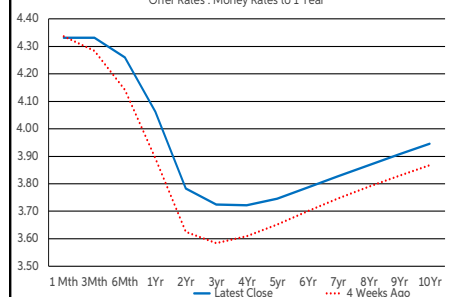


Euro/Yen Exchange Rate



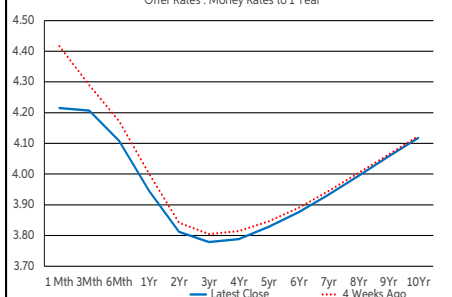
US Swap Curve

Offer Rates : Money Rates to 1 Year



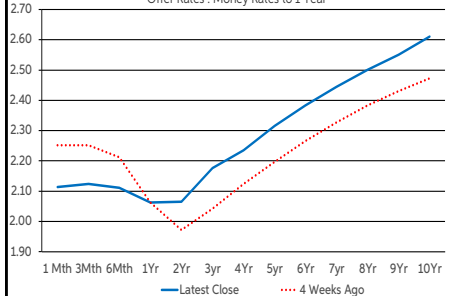
UK Swap Curve

Offer Rates : Money Rates to 1 Year

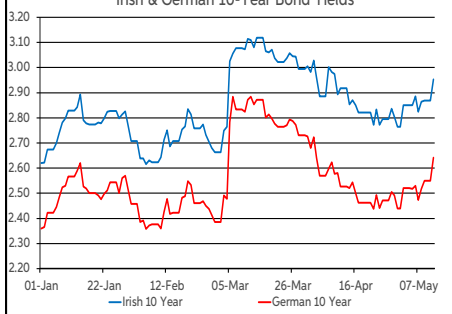


Eurozone Swap Curve

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	4.46	+8	+9	-12
Germany	2.64	+9	+12	+28
UK	4.65	+9	-2	+8
Ireland	2.97	+6	+9	+32
Belgium	3.20	+7	+6	+22
France	3.33	+6	+5	+13
Italy	3.68	+6	+0	+16
Spain	3.27	+6	+5	+20
Portugal	3.16	+8	+5	+31
Greece	3.46	+7	+1	+21
5 Year Swap %				
US	4.00	+11	+10	-29
Eurozone	2.31	+11	+12	+8
UK	4.07	+10	-1	-22
2 Year Swap %				
US	4.05	+10	+18	-29
Eurozone	2.06	+11	+9	-13
UK	4.04	+10	-1	-44
10 Year Government Bond Spreads to Benchmark bps				
Ireland	33	-3	-3	+4
Belgium	56	-2	-6	-6
France	68	-3	-7	-15
Italy	104	-3	-12	-12
Spain	63	-3	-7	-7
Portugal	52	-1	-7	+3
Greece	81	-2	-11	-7

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	64.96	+1.64	+0.12	-12.97
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3233.7	-2.72	+0.76	+23.25

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