

US-EU trade deal leaves plenty of questions

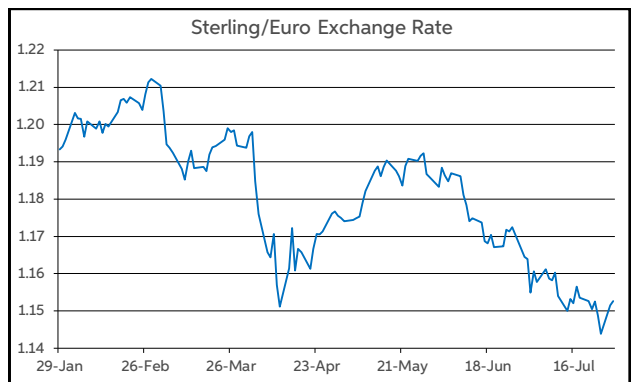
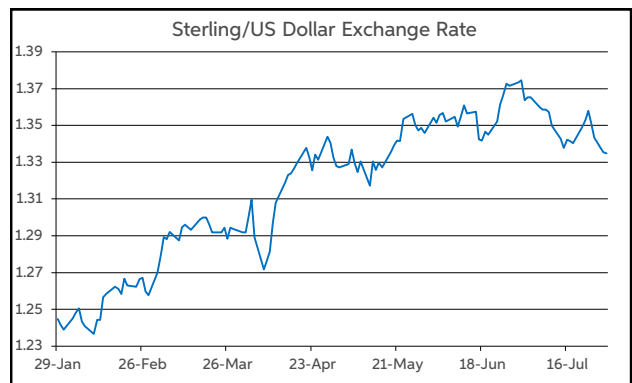
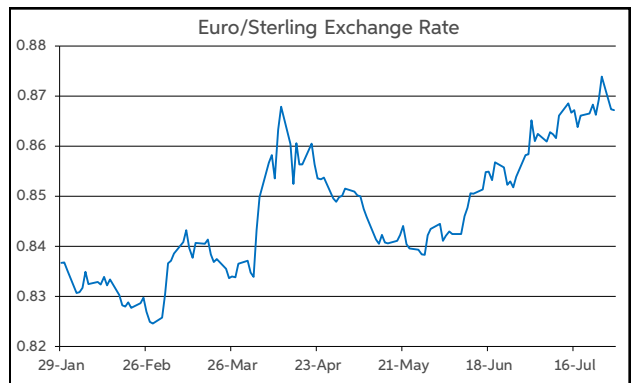
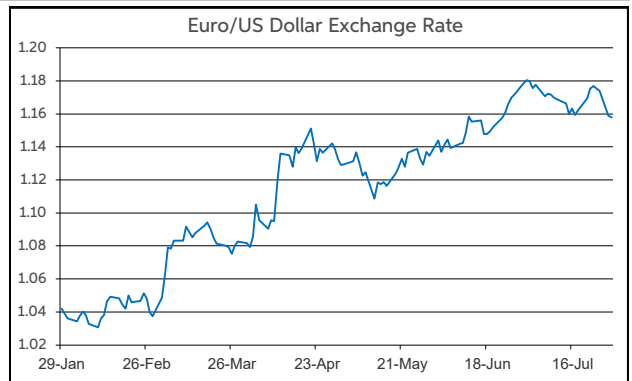
Much of the market headlines and action yesterday was driven by the Sunday night announcement of a trade agreement between the US and EU. Investors were digesting the news on the announcement of the deal, but also looking for more details on what it entails. The initial European market reaction to the 'trade deal' news was positive. The Euro Stoxx 50 opened yesterday morning up over 1%. Investors took solace from the worst-case scenario (i.e. no deal, US increasing tariff rates to 30% and EU retaliatory measures) being avoided. However, as the day progressed, amid mixed reactions from some EU member state governments (apparent one-sided nature of the deal) and limited detail on the agreement, sentiment turned more pessimistic. The Euro Stoxx 50 finished the day down 0.3%.

From a currency viewpoint, the euro's performance mirrored the evolution of sentiment regarding the 'trade deal' over the past 36 hours. At the same time, the dollar has benefitted from this backdrop. In the immediate aftermath of the trade agreement announcement on Sunday evening, the euro moved higher on the exchanges. The EUR/USD pair moved up to a high of \$1.177, while EUR/GBP posted a fresh year-to-date high of 87.6p.

However, as the early optimism regarding the deal faded, so too did the euro's upward momentum. The euro lost ground, while the dollar firmed. In level terms this is reflected in this morning's opening levels. EUR/USD starts today back below the \$1.16 threshold, while EUR/GBP has been unable to hold onto the 87p mark and is changing hands at 86.7p. Elsewhere, on the currency front, the firmer tone to the dollar is evident in GBP/USD falling back down to the midpoint of \$1.33-1.34 and USD/JPY moving above ¥148.

Looking ahead to today, from a data perspective, the main highlights come from the US diary. The Conference Board measure of consumer sentiment (Jul) and Jolts job openings (Jun) are due.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.158	-1.41	11.85
EUR/GBP	0.8672	-0.81	4.82
GBP/USD	1.3348	-0.65	6.69
GBP/EUR	1.1526	0.82	-4.60
USD/JPY	148.18	0.30	-5.73
EUR/JPY	171.61	-1.13	5.44

* 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	4.34	4.30	4.00	3.96	3.89
EUR	2.00	1.88	1.97	2.05	2.06	2.34
GBP	4.25	4.05	4.00	3.79	3.93	4.03

All rates quoted are indicative market rates

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Opening Levels

Tuesday 29 July 2025
07:08 am



Euro

EUR/GBP	0.8672
EUR/USD	1.158
EUR/JPY	171.61
EUR/SEK	11.143
EUR/DKK	7.4628
EUR/NOK	11.8173
EUR/CHF	0.9312
EUR/AUD	1.7744
EUR/HKD	9.09
EUR/CAD	1.5904

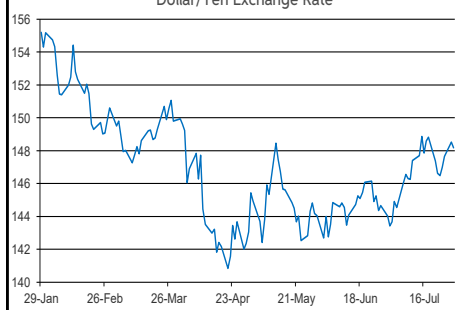
Sterling

GBP/EUR	1.1526
GBP/USD	1.3348
GBP/CAD	1.8331
GBP/NZD	2.2351
GBP/JPY	197.79
GBP/SEK	12.8433
GBP/DKK	8.6003
GBP/NOK	13.6202
GBP/CHF	1.0735
GBP/AUD	2.0448

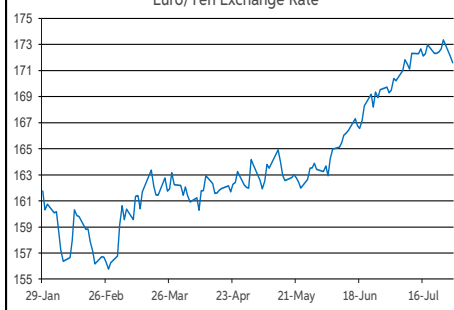
Dollar

USD/JPY	148.18
USD/CAD	1.3734
USD/CHF	0.8039
USD/CNY	7.1751
USD/BRL	5.5881
USD/RUB	81.15
USD/INR	86.794
AUD/USD	0.6525
NZD/USD	0.5968

Dollar/Yen Exchange Rate

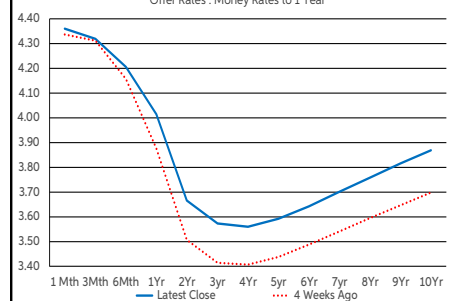


Euro/Yen Exchange Rate



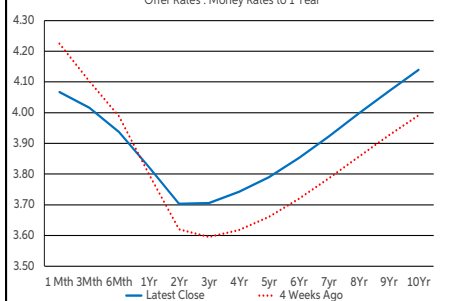
US Swap Curve

Offer Rates : Money Rates to 1 Year



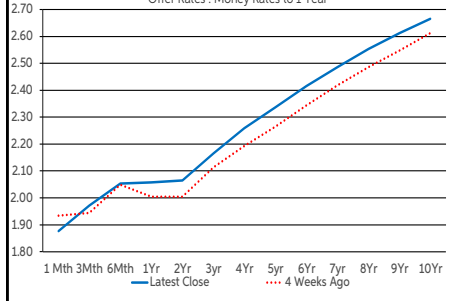
UK Swap Curve

Offer Rates : Money Rates to 1 Year

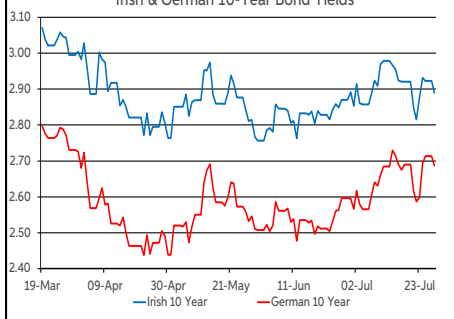


Eurozone Swap Curve

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	4.42	+3	+19	-16
Germany	2.69	-3	+9	+32
UK	4.66	+2	+17	+8
Ireland	2.93	-4	-0	+28
Belgium	3.21	-4	+5	+23
France	3.35	-4	+6	+15
Italy	3.53	-5	+2	+1
Spain	3.27	-4	+3	+21
Portugal	3.11	-4	+6	+26
Greece	3.38	-7	+8	+13
5 Year Swap %				
US	3.85	+1	+18	-44
Eurozone	2.33	-1	+7	+10
UK	4.03	+2	+13	-26
2 Year Swap %				
US	3.93	-1	+18	-41
Eurozone	2.06	-1	+6	-13
UK	3.92	+0	+8	-56
10 Year Government Bond Spreads to Benchmark bps				
Ireland	24	-1	-10	-4
Belgium	53	-1	-4	-9
France	66	-1	-3	-17
Italy	84	-2	-7	-31
Spain	59	-1	-6	-12
Portugal	42	-1	-3	-6
Greece	69	-4	-1	-19

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	70.04	+2.34	+3.59	-6.16
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3314.0	-0.66	+0.32	+26.31

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