

EUR/USD probes above \$1.18

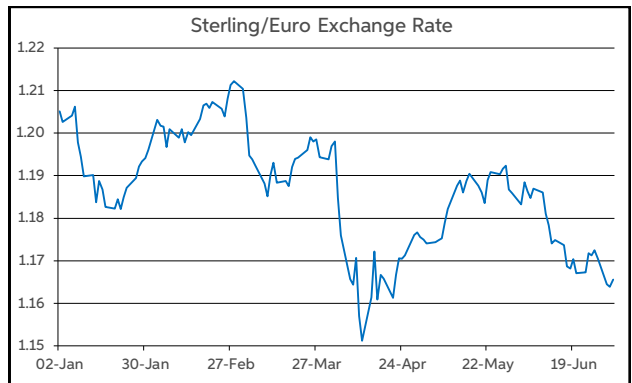
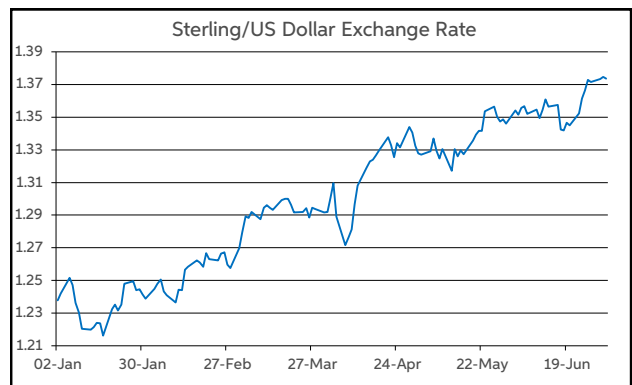
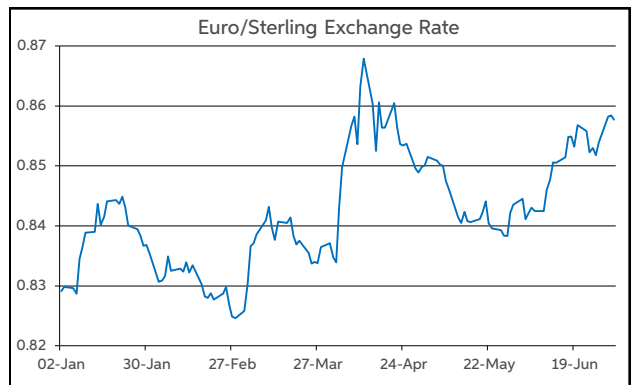
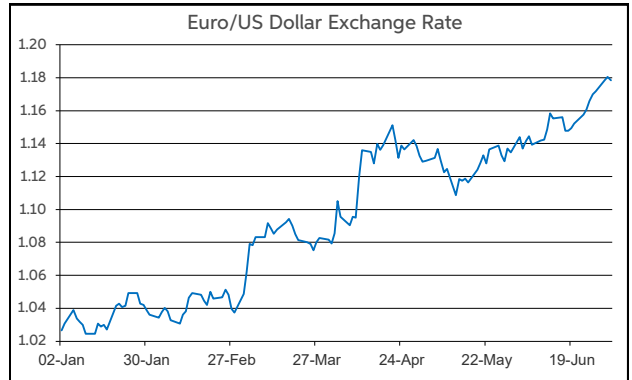
There was a subdued tone to investor sentiment yesterday on both sides of the Atlantic. Throughout the day markets were digesting a heavy slate of data, remarks from a number of central bank officials and the debate on the tax and spending bill in the US. The Bill was passed by the Senate overnight, and will now return to the House of Representatives for another vote.

Data-wise, Eurozone flash HICP inflation printed in-line with the consensus, as the headline rate rose slightly to 2.0% and the core rate stayed at 2.4%, in June. Meantime in the US, the manufacturing ISM came in ahead of expectations but remained in contraction mode, at 49.0 in June (vs. 48.8 fcast). However, details in the survey showed inflation accelerated and employment conditions deteriorated. Elsewhere, US job openings jumped to 7.8m in May (vs. 7.3m fcast). Meanwhile, in terms of monetary policy, Fed Chair Powell indicated that a July rate cut from the Fed was unlikely. Speaking at the same event, ECB President Lagarde refused to provide any guidance on the near-term rate path in the Eurozone.

Amid the data and the central bank speak, US futures contracts firmed marginally yesterday. This, as well as the passage of the US tax and spending bill, which is set to add over \$3trn to the national debt, coincided with a modest rise in US Treasury yields of circa 3-7bps. In contrast, German Bund and UK Gilt yields were little changed. Overnight, this saw the dollar recoup its losses from during the European session earlier in the day.

As trading gets underway today, EUR/USD remains in the top half of \$1.17-1.18, having probed above \$1.18 yesterday. Elsewhere EUR/GBP is still operating in the upper part of 85-86p. A quieter look to the data calendar today features only the Eurozone unemployment rate for May (no change 6.2% fcast). However, potential developments regarding US trade, fiscal and monetary policy will remain in focus.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1786	0.00	13.84
EUR/GBP	0.8577	0.02	3.67
GBP/USD	1.3737	-0.02	9.80
GBP/EUR	1.1654	-0.02	-3.54
USD/JPY	143.69	-0.03	-8.58
EUR/JPY	169.36	-0.04	4.06

* 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	4.31	4.28	3.87	3.82	3.76
EUR	2.00	1.93	1.94	1.98	2.00	2.26
GBP	4.25	4.21	4.08	3.77	3.85	3.87

All rates quoted are indicative market rates

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Opening Levels

Wednesday 02 July 2025
07:31 am



Euro

EUR/GBP	0.8577
EUR/USD	1.1786
EUR/JPY	169.36
EUR/SEK	11.194
EUR/DKK	7.461
EUR/NOK	11.8947
EUR/CHF	0.9334
EUR/AUD	1.7918
EUR/HKD	9.2519
EUR/CAD	1.6086

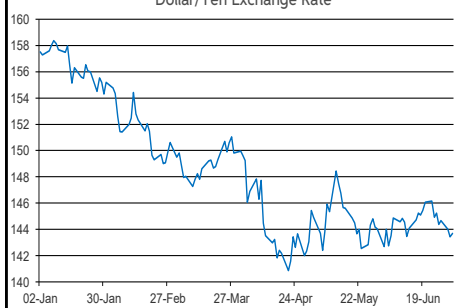
Sterling

GBP/EUR	1.1654
GBP/USD	1.3737
GBP/CAD	1.8746
GBP/NZD	2.2533
GBP/JPY	197.39
GBP/SEK	13.0456
GBP/DKK	8.6946
GBP/NOK	13.8633
GBP/CHF	1.0877
GBP/AUD	2.0879

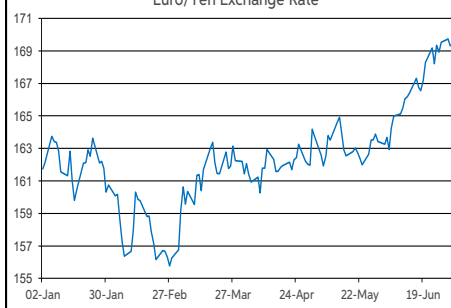
Dollar

USD/JPY	143.69
USD/CAD	1.365
USD/CHF	0.792
USD/CNY	7.1667
USD/BRL	5.4582
USD/RUB	78.4
USD/INR	85.7125
AUD/USD	0.6576
NZD/USD	0.6093

Dollar/Yen Exchange Rate

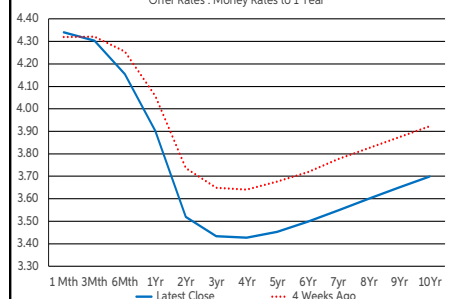


Euro/Yen Exchange Rate



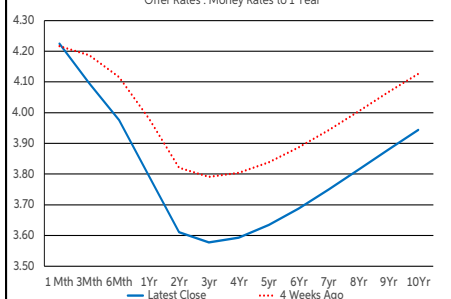
US Swap Curve

Offer Rates : Money Rates to 1 Year



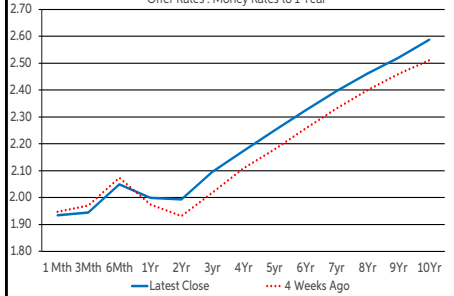
UK Swap Curve

Offer Rates : Money Rates to 1 Year

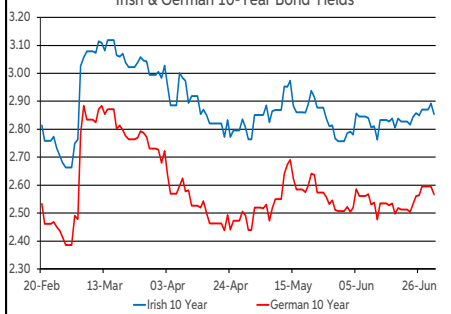


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.27	+4	-19	-31
Germany	2.57	-3	+6	+20
UK	4.45	-3	-18	-12
Ireland	2.89	-4	+6	+24
Belgium	3.14	-2	+8	+15
France	3.25	-4	+6	+6
Italy	3.48	-3	-3	-4
Spain	3.22	-3	+11	+15
Portugal	3.03	-2	+4	+18
Greece	3.30	-0	+3	+5
5 Year Swap %				
US	3.71	+4	-22	-58
Eurozone	2.25	-2	+7	+1
UK	3.87	-2	-21	-41
2 Year Swap %				
US	3.79	+4	-20	-55
Eurozone	1.99	-1	+6	-20
UK	3.85	+1	-20	-64
10 Year Government Bond Spreads to Benchmark bps				
Ireland	33	-1	-1	+4
Belgium	57	+0	+2	-5
France	69	-1	-0	-15
Italy	91	-0	-9	-25
Spain	65	-0	+5	-5
Portugal	47	+1	-2	-2
Greece	73	+3	-3	-16

Commodities

	Close	Day	4 Weeks	End 24
Brent Oil	67.11	-0.74	+2.26	-10.09
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3338.8	+1.08	-0.39	+27.25

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