

Dollar remains on the back-foot overnight

There was a mixed mood on markets throughout yesterday, amid another relatively sparse macro release calendar. On equity markets, the Euro Stoxx 50 gained 0.5%, led by a rise in defensive sectors. Meantime on Wall Street, the S&P 500 edged 0.4% lower, amid a decline in tech stocks.

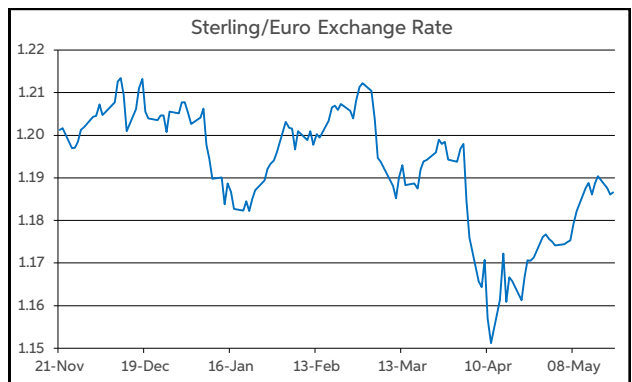
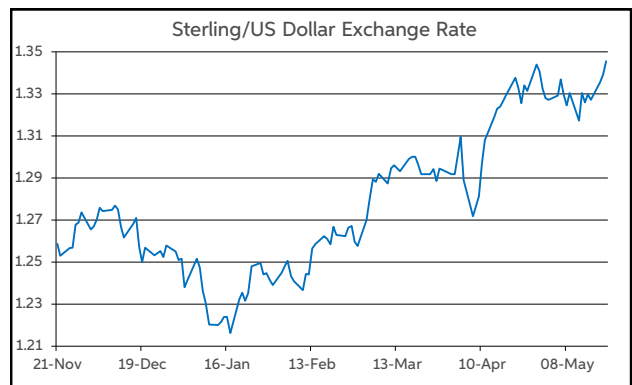
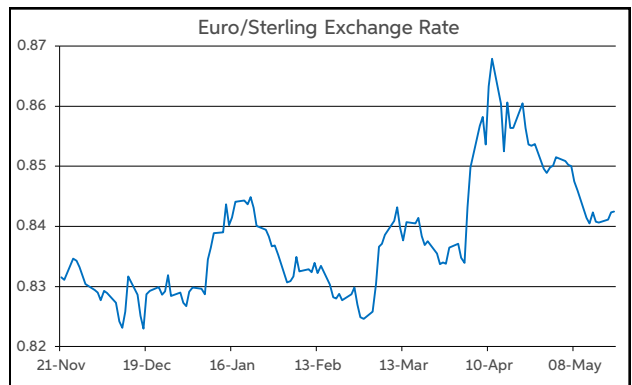
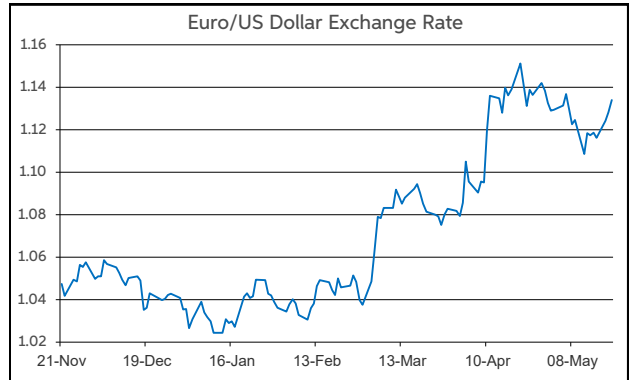
Elsewhere, on bond markets, benchmark sovereign yields moved slightly higher. UK Gilt yields rose by circa 3-4bps along the curve yesterday. Meanwhile, Germany Bund and US Treasury yields increased by 1-6bps, with the move largely concentrated in longer dated maturities.

On the currency front, the main FX pairs operated in very tight ranges throughout the European session. Overnight though, the dollar has been on the defensive once again. However, there are no obvious catalysts for the dollar weakness. Overall, the greenback has declined by 0.7-0.8% versus the euro, yen and sterling.

As trading gets underway this morning, the softer tone to the dollar sees EUR/USD open up near the midpoint of the \$1.13-1.14 range. GBP/USD is operating above the halfway mark of the \$1.34-1.35 corridor. Meantime, USD/JPY is back below the ¥144 threshold. EUR/GBP remains in the lower half of the 84-85p trading band.

Already this morning, UK inflation data for April have printed above the consensus. The headline rate jumped to 3.5% (vs. 3.3% f'cast) while the core rate rose to 3.8% (vs. 3.6% f'cast), partly boosted by a sharp increase in services inflation to 5.4% from 4.7%. Sterling has been holding a slightly firmer tone in early trading following the release. The remainder of today's macro calendar lacks any top tier data releases. However, remarks from a number of ECB and Fed officials will garner attention. Similarly, investors will be keeping an eye on developments at the G7 meeting of Finance Ministers.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.134	0.88	9.53
EUR/GBP	0.8425	0.18	1.84
GBP/USD	1.3455	0.70	7.55
GBP/EUR	1.1864	-0.18	-1.80
USD/JPY	143.55	-0.83	-8.67
EUR/JPY	162.79	0.02	0.02

* 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	4.32	4.06	4.05	4.02
EUR	2.40	2.09	2.10	2.01	2.01	2.27
GBP	4.25	4.20	4.19	4.04	4.14	4.16

All rates quoted are indicative market rates

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Opening Levels

Wednesday 21 May 2025
07:42 am



Euro

EUR/GBP	0.8425
EUR/USD	1.134
EUR/JPY	162.79
EUR/SEK	10.8739
EUR/DKK	7.4586
EUR/NOK	11.5774
EUR/CHF	0.9315
EUR/AUD	1.757
EUR/HKD	8.8784
EUR/CAD	1.5742

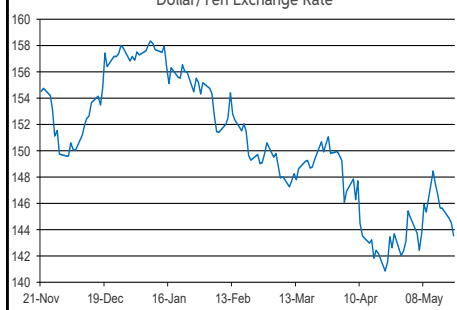
Sterling

GBP/EUR	1.1864
GBP/USD	1.3455
GBP/CAD	1.8679
GBP/NZD	2.26
GBP/JPY	193.15
GBP/SEK	12.9044
GBP/DKK	8.8508
GBP/NOK	13.7313
GBP/CHF	1.105
GBP/AUD	2.0842

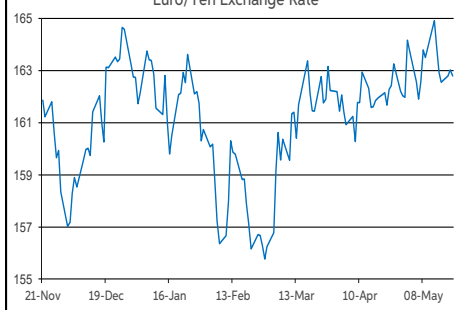
Dollar

USD/JPY	143.55
USD/CAD	1.3883
USD/CHF	0.8214
USD/CNY	7.2057
USD/BRL	5.6457
USD/RUB	80
USD/INR	85.545
AUD/USD	0.6453
NZD/USD	0.595

Dollar/Yen Exchange Rate

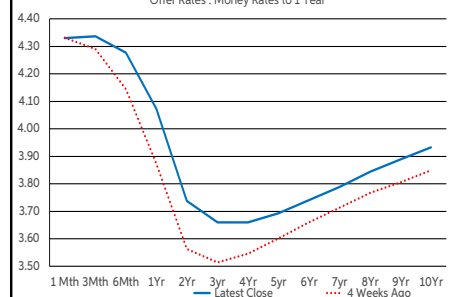


Euro/Yen Exchange Rate



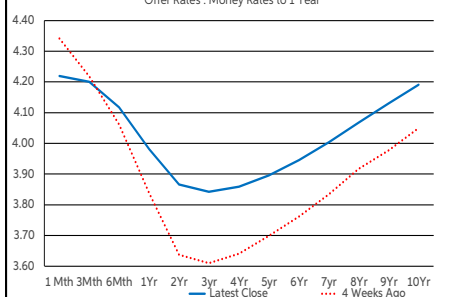
US Swap Curve

Offer Rates : Money Rates to 1 Year



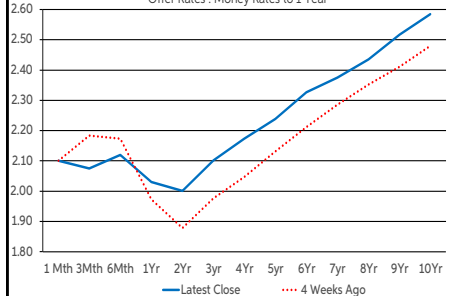
UK Swap Curve

Offer Rates : Money Rates to 1 Year

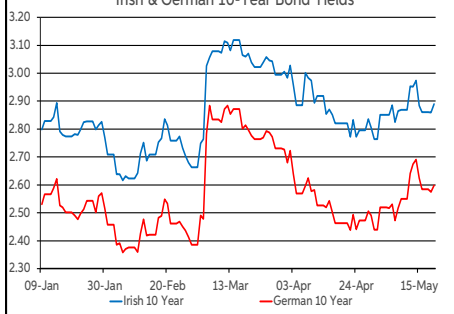


Eurozone Swap Curve

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	4.48	+1	+9	-10
Germany	2.60	+2	+16	+24
UK	4.71	+4	+17	+14
Ireland	2.92	+3	+11	+27
Belgium	3.14	+3	+8	+15
France	3.26	+0	+5	+6
Italy	3.61	+0	+0	+9
Spain	3.22	+1	+8	+15
Portugal	3.10	+1	+7	+25
Greece	3.40	+1	+2	+15
5 Year Swap %				
US	3.96	+2	+11	-33
Eurozone	2.25	+1	+12	+1
UK	4.14	+4	+19	-15
2 Year Swap %				
US	4.01	-0	+20	-33
Eurozone	2.00	-0	+12	-19
UK	4.09	+3	+20	-40
10 Year Government Bond Spreads to Benchmark bps				
Ireland	31	+0	-5	+3
Belgium	54	+0	-8	-8
France	66	-2	-11	-17
Italy	101	-2	-16	-15
Spain	61	-2	-8	-9
Portugal	50	-1	-9	+1
Greece	80	-1	-14	-9

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	65.54	+0.20	-1.09	-12.19
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3229.0	+0.83	-5.70	+23.06

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