

Chair Powell's final press conference in focus

The cautious mode on markets at the start of the week persisted yesterday, as peace talks between the US & Iran failed to materialise once again. Against this backdrop, oil prices continued to climb higher, with Brent gaining almost 3%, moving above \$111 per barrel in the process. Amid the further rise in oil prices, the Euro Stoxx 50 fell by 0.4%. Meantime on Wall Street, the S&P 500 declined by 0.5%.

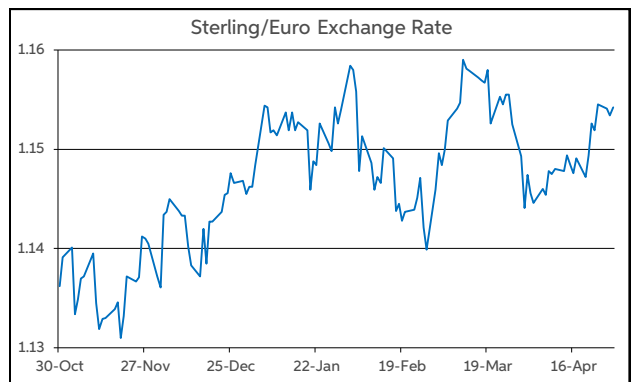
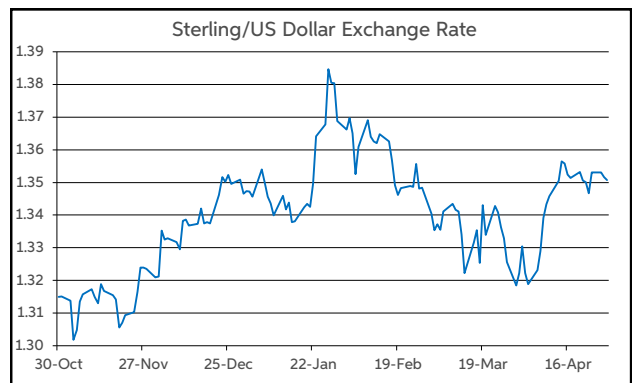
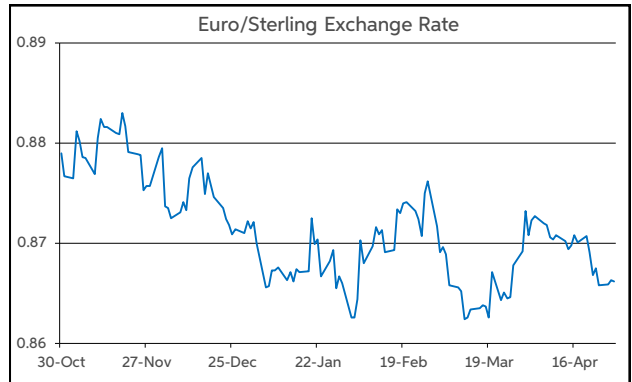
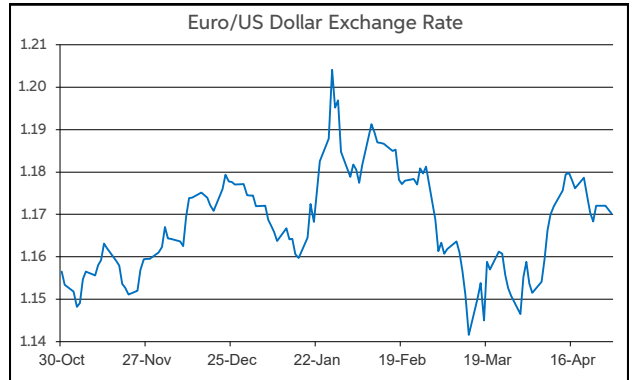
Elsewhere, market interest rate expectations firmed somewhat due to the further rise in oil prices, which is contributing to ongoing concerns of higher inflation. A hawkish voting split (6-3 to hold, compared to 8-1 previously) from the BoJ also likely contributed to the modest hardening in interest rate futures contracts. Firmer rate expectations placed some upward pressure on sovereign bond yields, with 2-year German Bund and UK Gilt yields climbing by 5-8bps yesterday. The equivalent US Treasury yield rose by 3bps.

However, the action on currency markets has remained moribund over the past 24 hours. The main FX pairs have been contained to quite tight ranges. Of the muted price action to note, the dollar has edged slightly higher. Meantime, the yen has handed back some of its gains registered in the initial aftermath of the BoJ policy decision.

In level terms, EUR/USD opens this morning back at the \$1.17 mark, having tested below that threshold yesterday. GBP/USD is down near the \$1.35 handle. Meanwhile, EUR/GBP is changing hands in the top half of 86-87p. USD/JPY is operating up in the top half of ¥159-160.

Looking ahead to today, the monetary policy spotlight will be centred on the Fed FOMC meeting outcome. The Fed is widely expected to leave rates on hold but remarks from Chair Powell, at what is now very likely to be his last FOMC press conference, will garner close attention. Developments in the Middle East and a slew of corporate earnings reports from large tech firms will also be in focus.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1702	-0.09	-0.37
EUR/GBP	0.8662	0.09	-0.61
GBP/USD	1.3507	-0.16	0.25
GBP/EUR	1.1541	-0.09	0.61
USD/JPY	159.65	0.36	1.92
EUR/JPY	186.79	0.27	1.52

* 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	3.63	3.64	3.66	3.69	3.94	3.94
EUR	2.00	2.00	2.17	2.72	2.83	2.90
GBP	3.75	3.73	3.82	4.26	4.56	4.53

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Euro

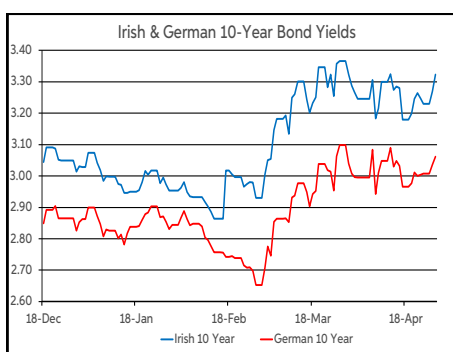
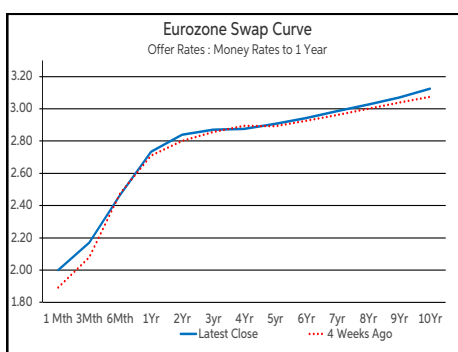
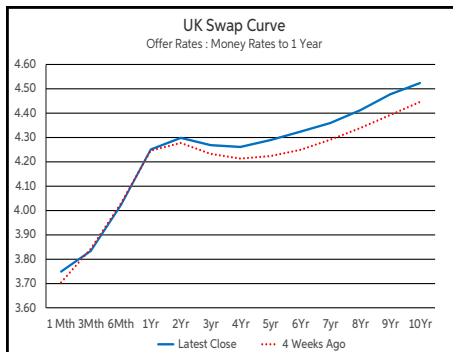
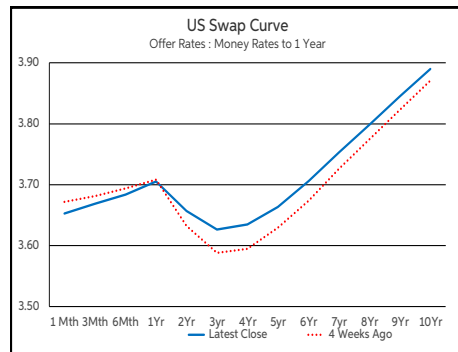
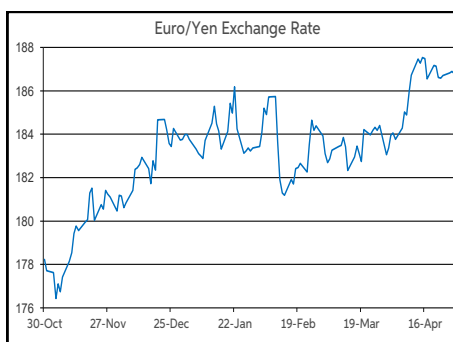
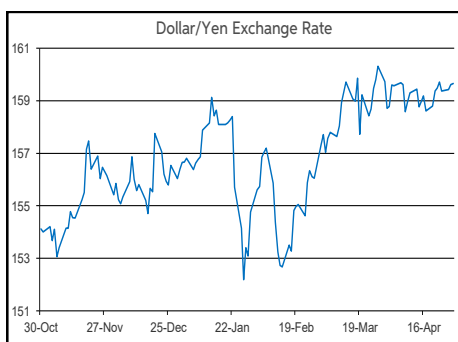
EUR/GBP	0.8662
EUR/USD	1.1702
EUR/JPY	186.79
EUR/SEK	10.8579
EUR/DKK	7.4722
EUR/NOK	10.9178
EUR/CHF	0.9236
EUR/AUD	1.6342
EUR/HKD	9.1714
EUR/CAD	1.6014

Sterling

GBP/EUR	1.1541
GBP/USD	1.3507
GBP/CAD	1.8486
GBP/NZD	2.3043
GBP/JPY	215.64
GBP/SEK	12.5328
GBP/DKK	8.6241
GBP/NOK	12.5899
GBP/CHF	1.0662
GBP/AUD	1.8858

Dollar

USD/JPY	159.65
USD/CAD	1.3688
USD/CHF	0.7893
USD/CNY	6.836
USD/BRL	4.9735
USD/RUB	75.15
USD/INR	94.76
AUD/USD	0.716
NZD/USD	0.5859



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.35	+2	+4	+20
Germany	3.06	+3	+5	+20
UK	5.01	+3	+9	+53
5 Year Swap %				
US	3.94	+4	+4	+22
Eurozone	2.89	+5	+2	+33
UK	4.52	+5	+13	+62
2 Year Swap %				
US	3.92	+5	+5	+35
Eurozone	2.83	+7	+4	+58
UK	4.55	+6	+12	+82
10 Year Government Bond Spreads to Benchmark bps				
Ireland	26	+3	-2	+10
Belgium	49	+1	-2	+1
France	67	+2	-4	-3
Italy	83	+2	-8	+18
Spain	47	+1	-3	+4
Portugal	42	+0	-3	+13
Greece	78	+3	-9	+17

Commodities				
	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	111.26	+2.80	-5.99	+82.84
West Texas Oil	103.45	+3.56	+0.57	+80.67
Gold \$	4594.5	-1.87	-1.61	+6.50

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