

US labour market data in focus today

The main event of yesterday's macro diary was the ECB policy setting meeting for June. As expected, the Governing Council cut rates by 25bps, with the Depo rate lowered to 2.0%. Given this was already fully priced in by markets, attention was centred on what guidance, if any, would be forthcoming from the ECB regarding future rate cuts.

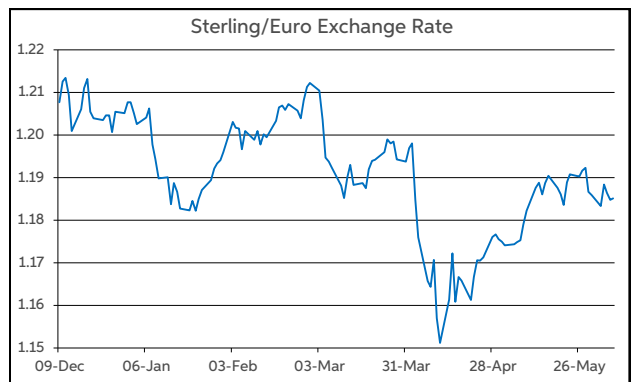
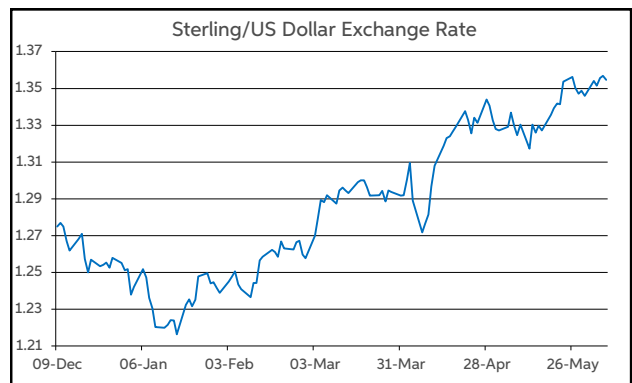
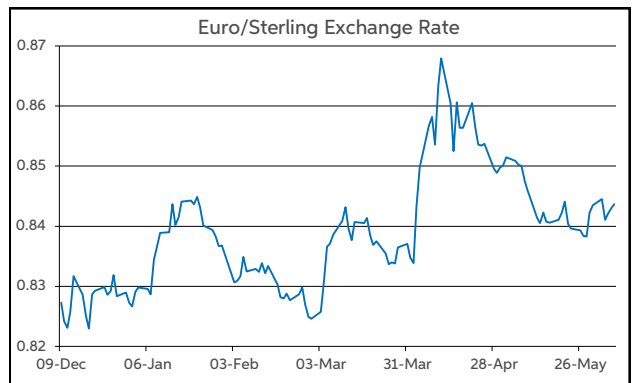
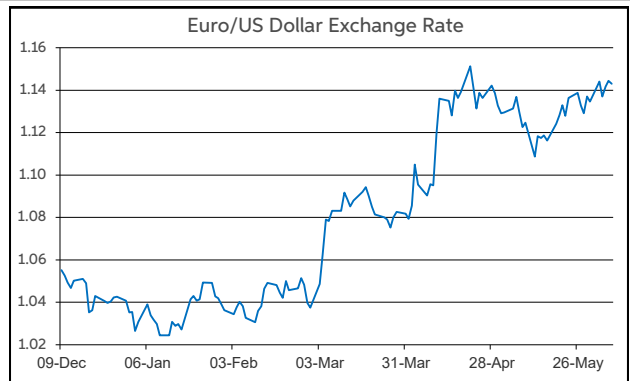
In this regard, the ECB was non-committal, continuing to espouse a data-dependent and meeting-by-meeting approach. However, President Lagarde's comments during the press conference did include some less dovish rhetoric. She stated that the ECB was nearing the end of its current cycle and policy was in a "good position" to deal with uncertainty over the coming months.

This suggests there is a lower likelihood in the near term for further rate cuts. It also implies that the extent of any additional easing is limited. Futures contract indicate the market is envisaging one more 25bps rate cut before year end. However, barring a shock to the Eurozone economy, it could also turn out to be the case that yesterday's reduction was the last of this easing cycle from the ECB.

From a currency viewpoint, most of the majors have been confined to relatively narrow ranges over the past 24 hours. Of the action to register, the euro is modestly firmer following the less dovish ECB tone. In level terms, EUR/USD opens this morning at \$1.143, with EUR/GBP near 84.4p. GBP/USD is trading at the midpoint of \$1.35-1.36, similar to where it started yesterday. Elsewhere, the yen has lost some ground, not helped by weaker than forecast macro data.

Looking ahead to today, the focus shifts to the US macro diary, with a raft of May labour market data due, including the always eagerly awaited monthly payrolls number. There is some event risk for the dollar from today's US data.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1431	0.20	10.41
EUR/GBP	0.8437	0.19	1.98
GBP/USD	1.3547	0.01	8.28
GBP/EUR	1.185	-0.19	-1.94
USD/JPY	143.98	0.66	-8.40
EUR/JPY	164.6	0.86	1.14

* 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	4.30	4.00	3.98	3.93
EUR	2.40	1.95	1.96	1.99	2.02	2.29
GBP	4.25	4.20	4.16	3.96	4.06	4.09

All rates quoted are indicative market rates

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Opening Levels

Friday 06 June 2025
07:29 am



Euro

EUR/GBP	0.8437
EUR/USD	1.1431
EUR/JPY	164.6
EUR/SEK	10.964
EUR/DKK	7.4603
EUR/NOK	11.532
EUR/CHF	0.9389
EUR/AUD	1.7594
EUR/HKD	8.9692
EUR/CAD	1.562

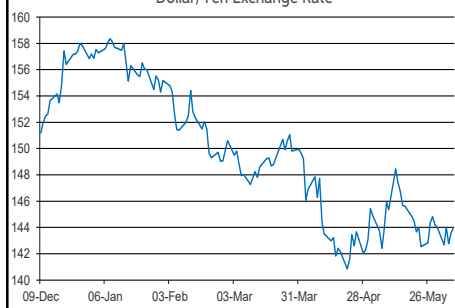
Sterling

GBP/EUR	1.185
GBP/USD	1.3547
GBP/CAD	1.8508
GBP/NZD	2.242
GBP/JPY	195.06
GBP/SEK	12.9919
GBP/DKK	8.8408
GBP/NOK	13.6665
GBP/CHF	1.1125
GBP/AUD	2.0843

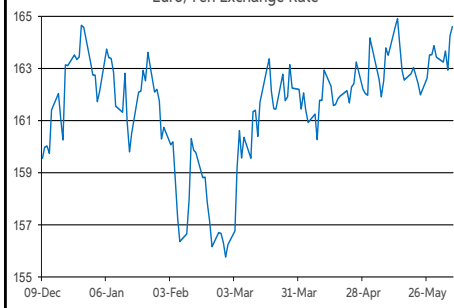
Dollar

USD/JPY	143.98
USD/CAD	1.3665
USD/CHF	0.8215
USD/CNY	7.1835
USD/BRL	5.5845
USD/RUB	78.3705
USD/INR	85.746
AUD/USD	0.6496
NZD/USD	0.6038

Dollar/Yen Exchange Rate

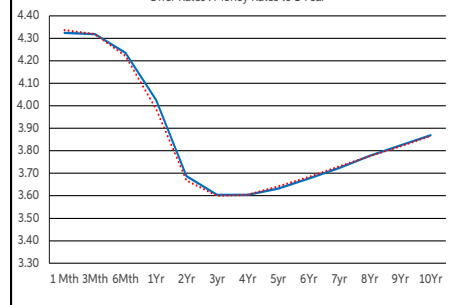


Euro/Yen Exchange Rate



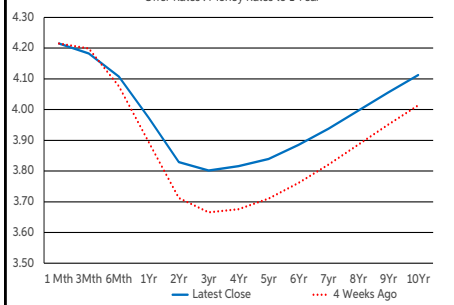
US Swap Curve

Offer Rates : Money Rates to 1 Year



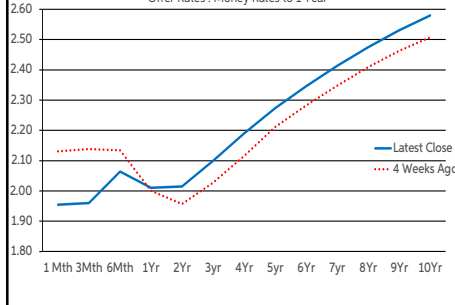
UK Swap Curve

Offer Rates : Money Rates to 1 Year

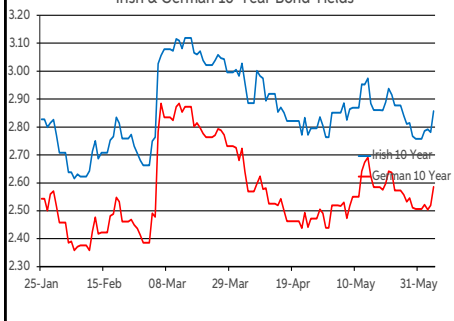


Eurozone Swap Curve

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	4.40	+3	+2	-18
Germany	2.59	+6	+7	+22
UK	4.63	+3	+8	+5
5 Year Swap %				
US	3.90	+6	+0	-39
Eurozone	2.27	+8	+6	+3
UK	4.08	+2	+11	-20
2 Year Swap %				
US	3.95	+3	+5	-38
Eurozone	2.01	+7	+6	-18
UK	4.05	+2	+9	-43
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	-1	-7	+1
Belgium	54	-0	-4	-8
France	68	-1	-4	-16
Italy	96	-3	-11	-20
Spain	59	-1	-6	-12
Portugal	48	-0	-4	-1
Greece	73	-5	-10	-16

Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	65.34	+0.74	+3.98	-12.46
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3353.1	-0.66	+1.45	+27.80

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