

US labour market due today

As expected, the ECB cut interest rates by 25bps yesterday. The Deposit rate was lowered to 2.50%. Both the meeting statement and remarks at the post-meeting press conference stressed that the ECB is highly data dependent given the uncertain economic outlook. Thus, while the ECB maintains a willingness to cut rates again if warranted, the direction of policy has become less clear. Markets are pricing in circa 40bps of rate cuts by year end.

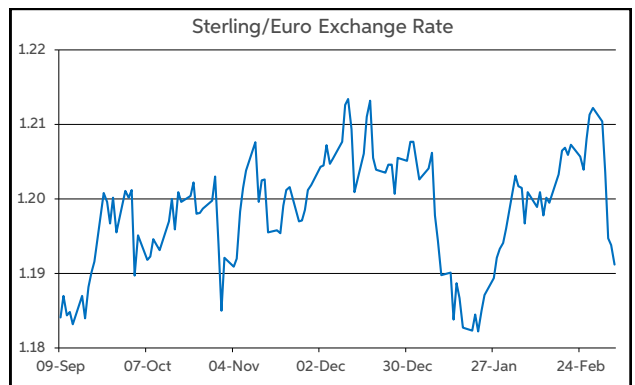
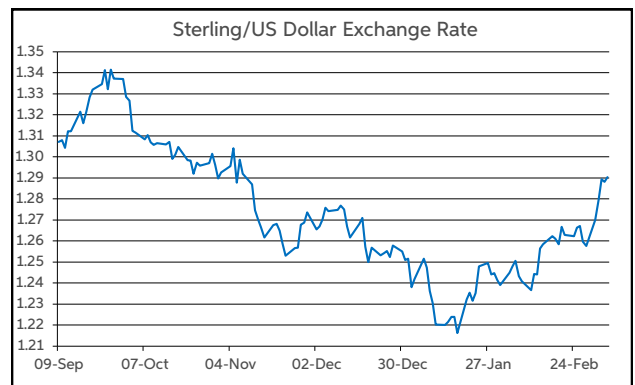
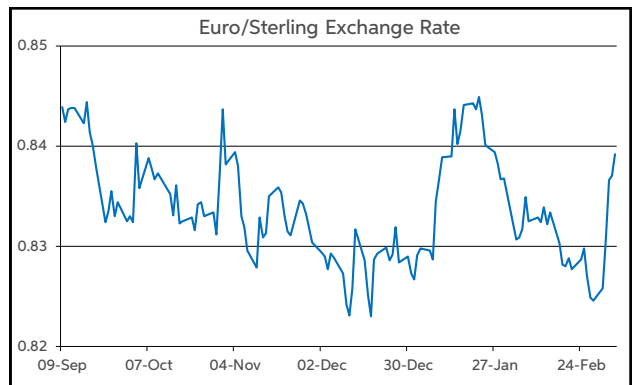
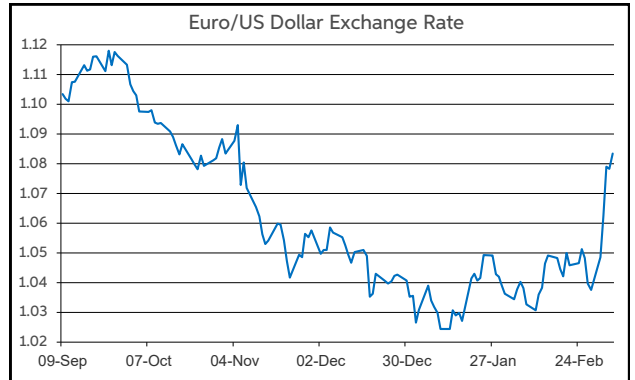
Elsewhere, the US delayed placing tariffs on all USMCA-compliant goods from Canada and Mexico until April 2nd. However, equity markets continued to move lower in the US, with the S&P 500 falling by 1.8% yesterday. Meantime, the Euro Stoxx 50 gained 0.6% on the day.

Currency-wise, the euro remained on the front-foot yesterday. The single currency rose to a high of \$1.0853 against the dollar and to 84.11p versus sterling. However, the euro handed back some of its gains overnight. Meanwhile, there was a firmer tone to the yen, as unions in Japan pressed for their highest pay rise in three decades, resulting in a slight hardening in Japanese future contracts.

As trading gets underway this morning, EUR/USD is in the lower half of \$1.08-1.09. GBP/USD is operating at the \$1.29 handle. Elsewhere, EUR/GBP is changing hands up near the 84p mark. USD/JPY is down at the halfway mark of ¥147-148.

Turning to the day ahead, the main release of note will be the US labour markets report for February. Payrolls are forecast to rise by 160k in the month, while the unemployment rate and average earnings growth are project to be unchanged at 4.0% and +4.1% y/y, respectively. The data pose some event risk for the dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0835	0.25	4.66
EUR/GBP	0.8394	0.20	1.46
GBP/USD	1.2904	0.03	3.14
GBP/EUR	1.1908	-0.20	-1.44
USD/JPY	147.57	-0.91	-6.11
EUR/JPY	159.9	-0.68	-1.75

* 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	3.98	4.08	4.04
EUR	2.65	2.49	2.50	2.34	2.35	2.54
GBP	4.50	4.45	4.41	4.21	4.32	4.26

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Friday 07 March 2025
07:52 am



Euro

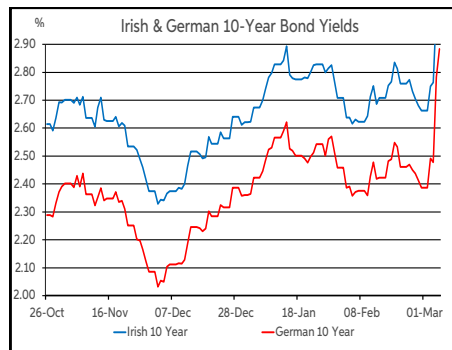
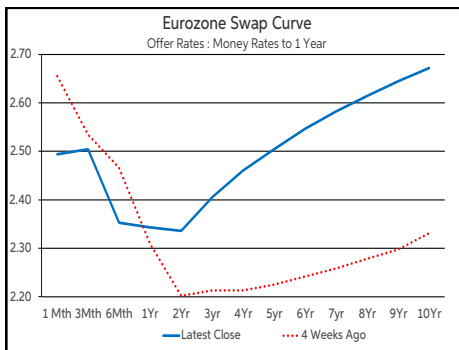
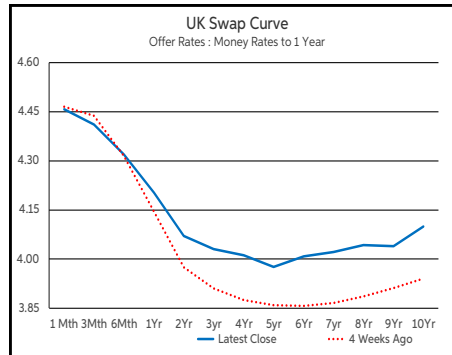
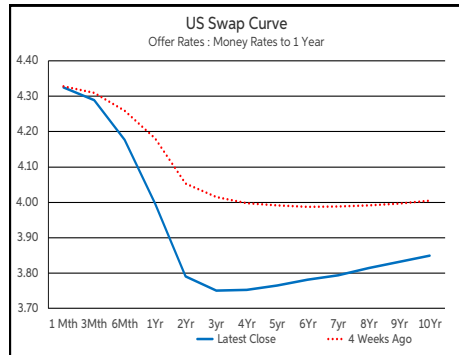
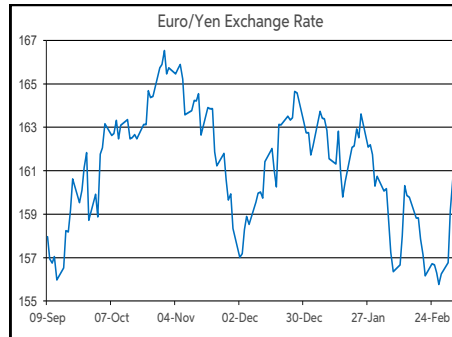
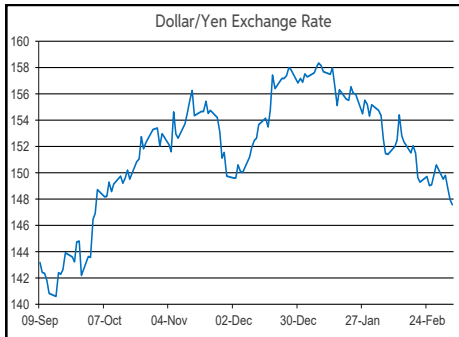
EUR/GBP	0.8394
EUR/USD	1.0835
EUR/JPY	159.9
EUR/SEK	10.96
EUR/DKK	7.4588
EUR/NOK	11.7721
EUR/CHF	0.9532
EUR/AUD	1.7163
EUR/HKD	8.4216
EUR/CAD	1.5493

Sterling

GBP/EUR	1.1908
GBP/USD	1.2904
GBP/CAD	1.8453
GBP/NZD	2.2538
GBP/JPY	190.42
GBP/SEK	13.048
GBP/DKK	8.8827
GBP/NOK	14.016
GBP/CHF	1.135
GBP/AUD	2.0443

Dollar

USD/JPY	147.57
USD/CAD	1.4301
USD/CHF	0.8795
USD/CNY	7.244
USD/BRL	5.7634
USD/RUB	89.45
USD/INR	87.005
AUD/USD	0.631
NZD/USD	0.5723



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.28	+1	-16	-30
Germany	2.88	+10	+51	+52
UK	4.68	+0	+19	+10
5 Year Swap %				
US	4.02	-3	-22	-27
Eurozone	2.49	-0	+28	+26
UK	4.25	-2	+11	-3
2 Year Swap %				
US	4.04	-5	-26	-29
Eurozone	2.33	-1	+13	+14
UK	4.31	-2	+6	-18
10 Year Government Bond Spreads to Benchmark bps				
Ireland	22	-6	-6	-6
Belgium	56	+0	-2	-6
France	68	-2	-3	-15
Italy	104	-2	-3	-12
Spain	64	-2	-2	-6
Portugal	52	+0	+1	+3
Greece	87	+5	+1	-1

Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	69.46	+0.23	-6.50	-6.94
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2910.0	-0.30	+1.87	+10.91

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