

Morning Comment

AIB Treasury Economic Research Unit



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07:51 am

Flash PMIs headline a busy data schedule today

Amid a more cautious tone to investor sentiment yesterday, equity markets on both sides of the Atlantic handed back some of their recent gains. Overall, the Euro Stoxx 50 declined by 0.7%, while the S&P 500 fell by 0.3%. Elsewhere, oil prices rose by circa 2%, as tensions between the US and Iran remained in focus, amid ongoing talks. Brent crude oil is back above \$71 per barrel, which is near to its year-to-date high.

Data-wise, the latest US weekly initial jobless claims figure (206k vs. 225k) and the Philly Fed Index (16.3 vs. 8.5) both beat the consensus. In contrast, Eurozone consumer confidence improved but printed below expectations in February (-12.2 vs. -11.8 f'cast). Meanwhile, on the monetary policy front, Fed President Kashkari indicated that he is of the view that US interest rates are near the neutral level, suggesting the scope for further easing may be limited.

As investors continued to digest the hawkish Fed meeting minutes released late on Wednesday, the dollar stayed on the front-foot yesterday. The greenback received fresh impetus from the aforementioned US data and from Kashkari's remarks. Elsewhere, sterling was under some slight downward pressure, albeit the pound regained its losses overnight.

In level terms, the firmer tone to dollar is evidenced by EUR/USD opening this morning back at the midpoint of \$1.17-1.18. GBP/USD is operating down at the halfway mark of \$1.34-1.35. Meantime, EUR/GBP remains in the lower half of the 87-88p range.

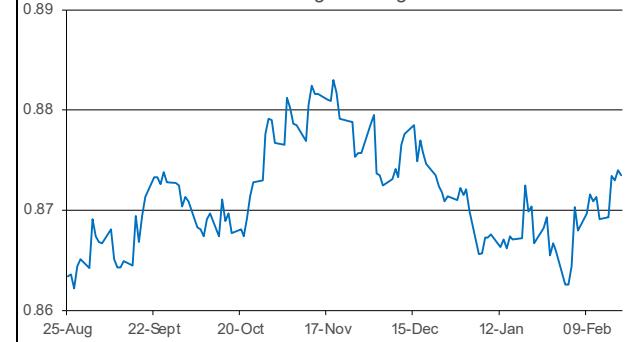
Already this morning, UK retail sales for January have been released. Sales jumped by 1.8% in the month, well above expectations for just a 0.2% rise. Later today, the flash PMIs for February in the Eurozone, UK and US are due. A busy US data schedule also includes the first reading of GDP for Q4 and core-PCE inflation for December.

Daniel Noonan, Economist, AIB

Euro/ US Dollar Exchange Rate



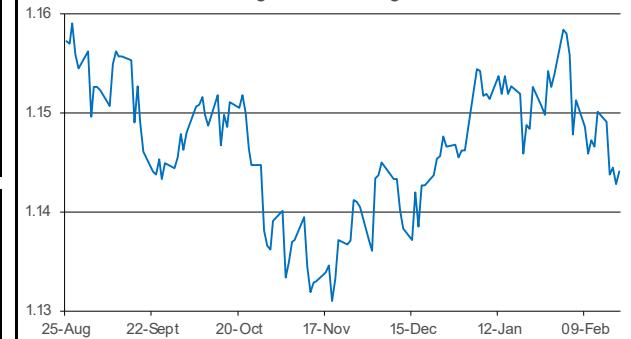
Euro/ Sterling Exchange Rate



Sterling/ US Dollar Exchange Rate



Sterling/ Euro Exchange Rate



Today's Opening FX Rates

		% Change		
		Day *	End 2025	
EUR/ USD	1.1755	-0.31	0.09	
EUR/ GBP	0.8735	-0.07	0.23	
GBP/ USD	1.3453	-0.24	-0.15	
GBP/ EUR	1.1443	0.07	-0.23	
USD/ JPY	155.15	-0.10	-0.96	
EUR/ JPY	182.41	-0.39	-0.86	

* 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	3.66	3.66	3.44	3.56	3.64
EUR	2.00	1.92	2.01	2.14	2.20	2.44
GBP	3.75	3.71	3.58	3.41	3.64	3.84

All rates quoted are indicative market rates

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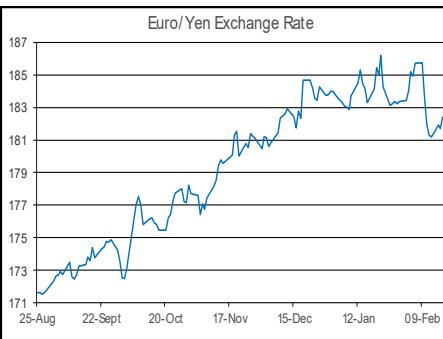
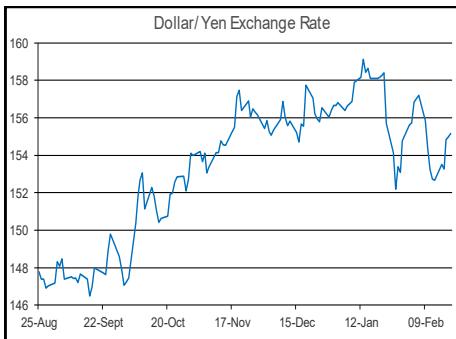
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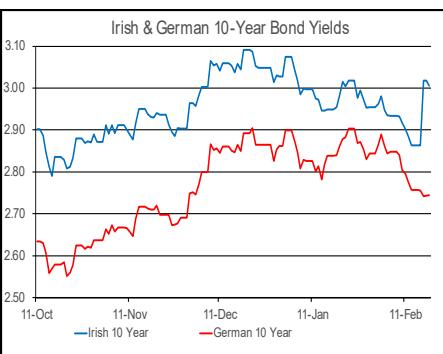
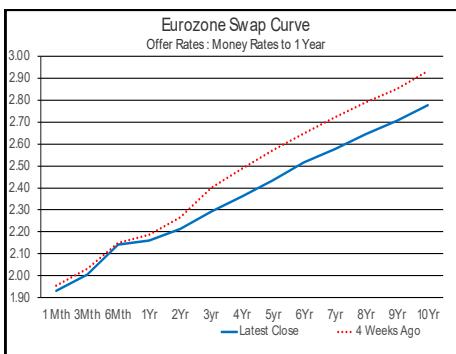
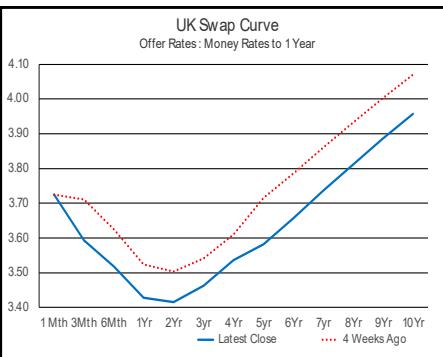
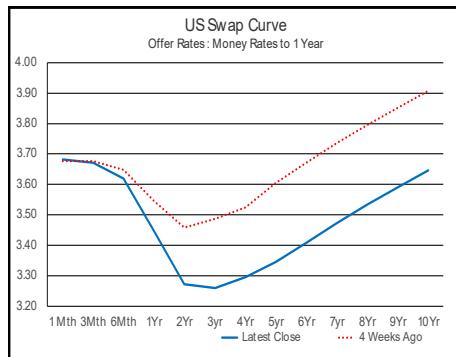
Euro	
EUR/ GBP	0.8735
EUR/ USD	1.1755
EUR/ JPY	182.41
EUR/ SEK	10.6552
EUR/ DKK	7.4713
EUR/ NOK	11.2545
EUR/ CHF	0.9116
EUR/ AUD	1.6682
EUR/ HKD	9.1876
EUR/ CAD	1.6093

Sterling	
GBP/ EUR	1.1443
GBP/ USD	1.3453
GBP/ CAD	1.842
GBP/ NZD	2.2609
GBP/ JPY	208.72
GBP/ SEK	12.1924
GBP/ DKK	8.5517
GBP/ NOK	12.8903
GBP/ CHF	1.0437
GBP/ AUD	1.9093

Dollar	
USD/ JPY	155.15
USD/ CAD	1.3692
USD/ CHF	0.7755
USD/ CNY	6.908
USD/ BRL	5.2131
USD/ RUB	76.6
USD/ INR	90.969
AUD/ USD	0.7045
NZD/ USD	0.5949



	Change bps			
	Close	Day	4 Weeks	End 25
10 Year Yield %				
US	4.08	-1	-18	-8
Germany	2.75	+0	-14	-12
UK	4.37	-0	-10	-10
Ireland	3.01	-1	+0	-2
Belgium	3.14	+0	-17	-21
France	3.32	+0	-19	-24
Italy	3.36	+0	-16	-15
Spain	3.17	-0	-10	-13
Portugal	3.11	+0	-15	-5
Greece	3.36	+1	-4	-12
5 Year Swap %				
US	3.61	-2	-24	-11
Eurozone	2.43	+2	-13	-13
UK	3.84	-1	-10	-6
2 Year Swap %				
US	3.54	-0	-17	-4
Eurozone	2.17	-1	-9	-9
UK	3.64	-1	-11	-9
10 Year Government Bond Spreads to Benchmark bps				
Ireland	26	-1	+14	+9
Belgium	39	+0	-4	-9
France	57	-0	-6	-13
Italy	61	+0	-2	-4
Spain	42	-1	+4	-1
Portugal	36	-0	-1	+7
Greece	62	+1	+10	+0



	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	71.66	+1.86	+11.86	+17.76
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4999.0	+0.40	+1.27	+15.87

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