

EUR/USD back above \$1.15

Investor sentiment continued to hold a cautious tone throughout the European session yesterday, amid ongoing concerns regarding the conflict in the Middle East. Amid the risk averse mood on markets, the Euro Stoxx 50 declined by 1.3%. However, reports overnight that talks are due to take place in Geneva to try and de-escalate the situation, led to an improvement in risk appetite.

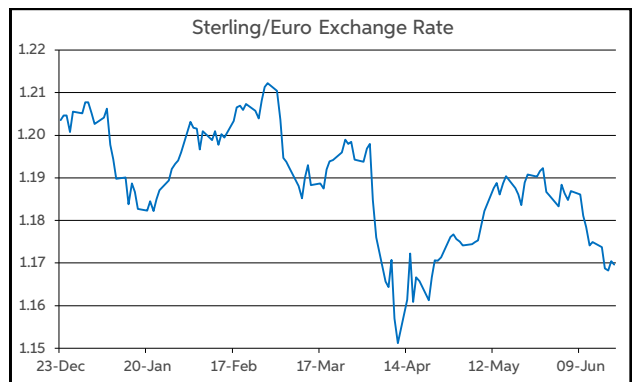
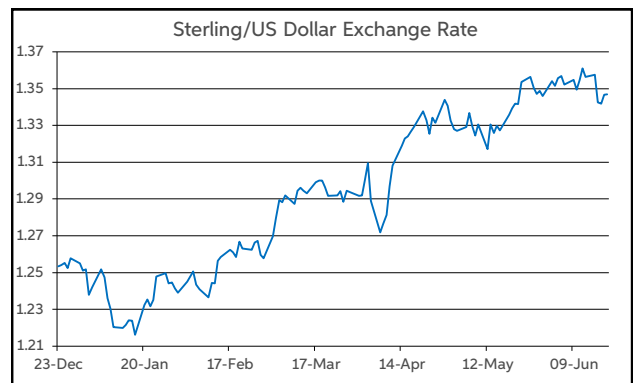
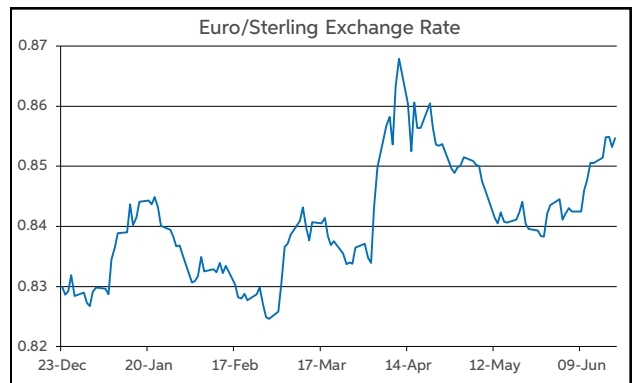
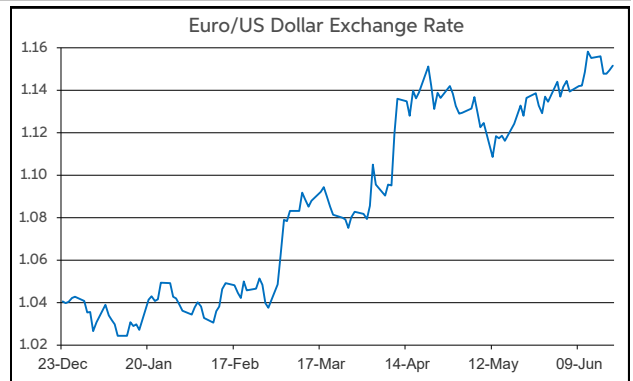
On the monetary policy front, the BoE left interest rates unchanged, as expected. Bank rate remains at 4.25%. There was a dovish slant to the meeting though. The vote breakdown showed that three MPC members were in favour of a 25bps rate cut. Meanwhile, in remarks released after the policy announcement, Governor Bailey stated that he “expects that the path of interest rates will continue to be gradually downwards”. Futures contracts indicate that markets anticipate around 50bps of policy easing in the UK by year end.

Currency-wise, the main FX pairs continued to operate in narrow trading bands yesterday. A market holiday in the US likely contributed it the limited price action. Of the moves to note, the dollar was under some downward pressure overnight. Overall, the greenback has handed back circa 0.4% of its recent gains to the euro and sterling.

In level terms, this sees EUR/USD open this morning above the \$1.15 threshold, GBP/USD is operating in the top half of the \$1.34-1.35 range. Elsewhere, EUR/GBP remains in and around the midpoint of the 85-86p corridor.

Already today, a raft of UK consumer data have been released. Consumer confidence improved to -18 in June (vs. -20 f'cast), its highest level since December. However, retail sales contracted sharply by 2.7% in May (vs. -0.5% f'cast). Sterling has been a touch weaker in early trading following the releases. Looking ahead, the remainder of today's data calendar is relatively sparse.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1517	0.43	11.24
EUR/GBP	0.8547	-0.02	3.31
GBP/USD	1.3469	0.43	7.66
GBP/EUR	1.1694	0.02	-3.21
USD/JPY	145.34	0.21	-7.53
EUR/JPY	167.42	0.64	2.87

* 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	4.05	4.00	3.90
EUR	2.00	1.88	2.01	2.00	1.99	2.23
GBP	4.25	4.21	4.12	3.85	3.94	3.98

All rates quoted are indicative market rates

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CONTACTS		
AIB Customer Treasury Services business.treasury@aib.ie aib.corporate.treasury@aib.ie aib.ie/fxcentre	Customer Treasury Services GB treasury.gb@aib.ie aibgb.co.uk/fxcentre	Customer Treasury Services NI TreasuryNI@aib.ie aibni.co.uk/fxcentre

Opening Levels

Friday 20 June 2025
07:44 am



Euro

EUR/GBP	0.8547
EUR/USD	1.1517
EUR/JPY	167.42
EUR/SEK	11.0722
EUR/DKK	7.4595
EUR/NOK	11.5446
EUR/CHF	0.9393
EUR/AUD	1.777
EUR/HKD	9.041
EUR/CAD	1.5778

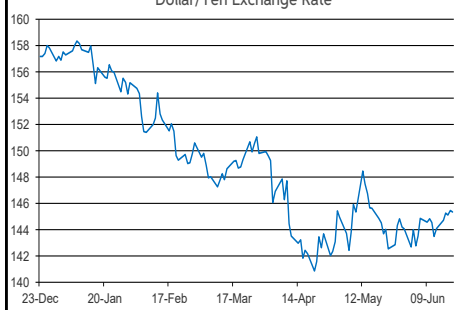
Sterling

GBP/EUR	1.1694
GBP/USD	1.3469
GBP/CAD	1.8452
GBP/NZD	2.2443
GBP/JPY	195.76
GBP/SEK	12.9424
GBP/DKK	8.7248
GBP/NOK	13.5018
GBP/CHF	1.0988
GBP/AUD	2.0782

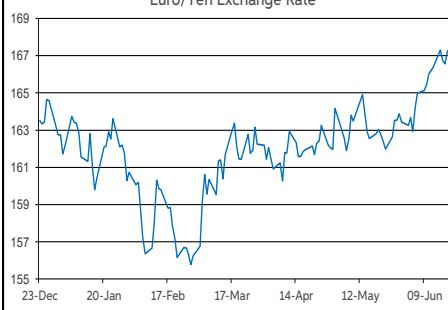
Dollar

USD/JPY	145.34
USD/CAD	1.3702
USD/CHF	0.8154
USD/CNY	7.1828
USD/BRL	5.4924
USD/RUB	78.35
USD/INR	86.595
AUD/USD	0.6478
NZD/USD	0.5997

Dollar/Yen Exchange Rate

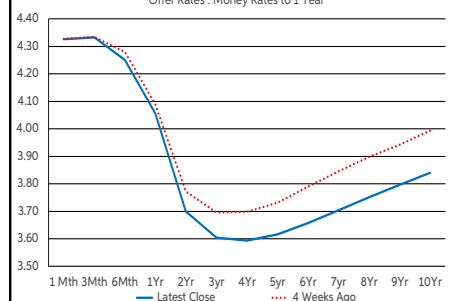


Euro/Yen Exchange Rate



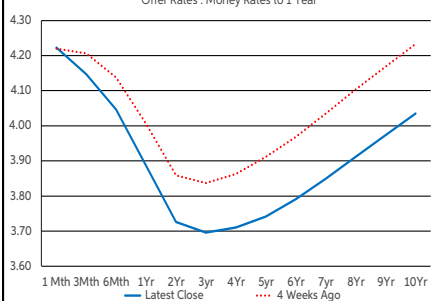
US Swap Curve

Offer Rates : Money Rates to 1 Year



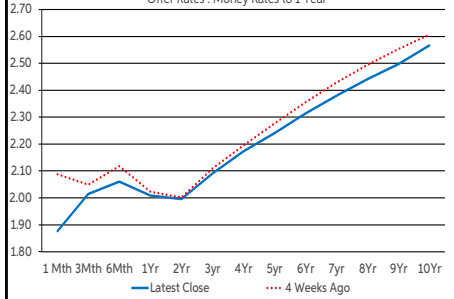
UK Swap Curve

Offer Rates : Money Rates to 1 Year

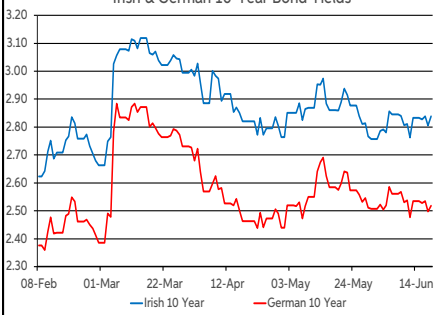


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.40	+0	-16	-18
Germany	2.52	+2	-12	+16
UK	4.53	+3	-22	-4
Ireland	2.88	+3	-8	+23
Belgium	3.12	+4	-4	+14
France	3.27	+6	-4	+8
Italy	3.55	+7	-11	+3
Spain	3.24	+5	-1	+18
Portugal	3.05	+3	-9	+20
Greece	3.32	+2	-10	+7
5 Year Swap %				
US	3.89	+0	-9	-40
Eurozone	2.24	+2	-4	+0
UK	3.98	+2	-17	-30
2 Year Swap %				
US	3.97	+0	-5	-36
Eurozone	1.99	+0	-1	-20
UK	3.95	+1	-14	-54
10 Year Government Bond Spreads to Benchmark bps				
Ireland	36	+1	+4	+7
Belgium	61	+3	+8	-1
France	75	+4	+8	-8
Italy	103	+5	+1	-13
Spain	72	+3	+11	+2
Portugal	53	+1	+3	+4
Greece	80	-0	+2	-9

Commodities

	Close	Day	4 Weeks	End 24
Brent Oil				
Brent Oil	78.85	+2.80	+22.36	+5.64
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3370.4	+0.05	+2.32	+28.45

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