

Inflation data in focus

There was a cautious mood on markets yesterday, amid a flurry of data releases, corporate earnings reports, and a slew of tariff-related newsflow. Most notably, US President Trump stated that the proposed tariffs on Canada and Mexico were likely to be implemented next week, while he also mentioned placing an additional 10% tax on China. Against this backdrop, the Euro Stoxx 50 shed 1.0%, and the S&P 500 fell by 1.6%.

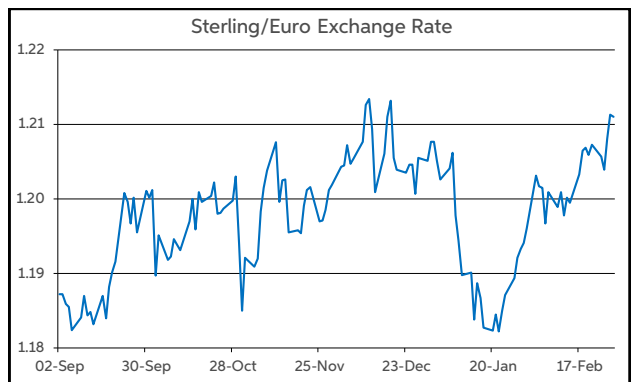
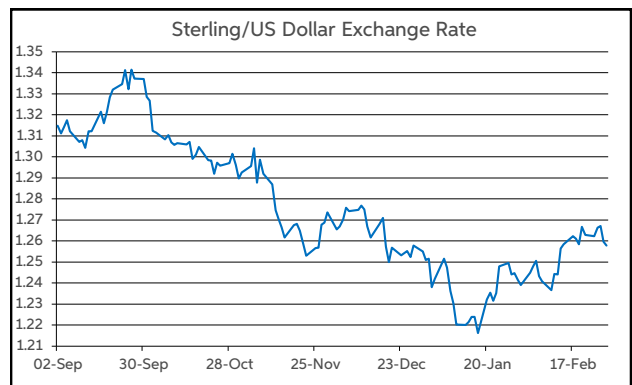
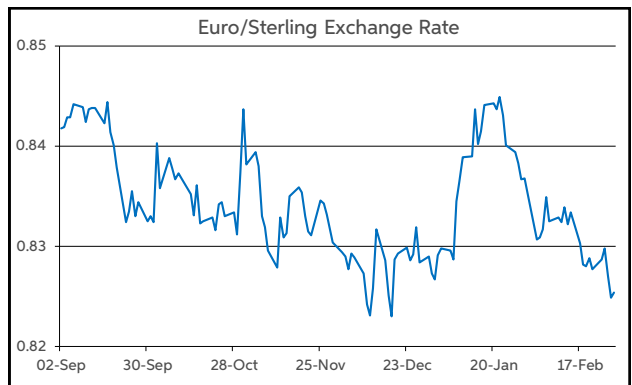
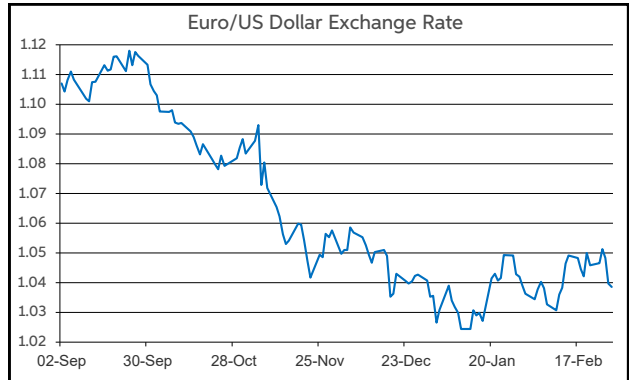
On the data front, the ECB meeting minutes provided no new information on the outlook for policy. Meantime, the EC economic sentiment indicator printed slightly above the consensus, rising to 96.3 in February (vs. 96.0 f'cast). In the US, the second reading of GDP confirmed the economy expanded by 2.3% annualised in Q4. In terms of more timely data, the latest weekly jobless claims figures jumped to 242k (vs. 221k f'cast). Overall though, the data had little impact of forex markets yesterday.

Indeed, the aforementioned tariff newsflow appeared to be the main driver of the price action on currency markets. As seen earlier in the year, the threat of US tariffs provided a supportive backdrop for the dollar and weighed heavily on the euro.

As trading gets underway this morning, the firmer tone to the dollar sees EUR/USD open back below the \$1.04 handle. Meantime, the softer euro is reflected by EUR/GBP operating down at the midpoint of 82-83p. GBP/USD is back in the \$1.25-1.26 corridor. Elsewhere, USD/JPY is up at the ¥150 mark.

Today, inflation data will be front and centre. US core-PCE inflation for January will be in focus, as will the flash reading of German, French and Italian HICP for February.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0385	-0.75	0.31
EUR/GBP	0.8254	-0.16	-0.23
GBP/USD	1.2578	-0.61	0.54
GBP/EUR	1.2109	0.16	0.23
USD/JPY	150.01	0.45	-4.56
EUR/JPY	155.8	-0.31	-4.27

* 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	4.07	4.16	4.05
EUR	2.90	2.55	2.50	2.25	2.14	2.21
GBP	4.50	4.44	4.40	4.17	4.27	4.18

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

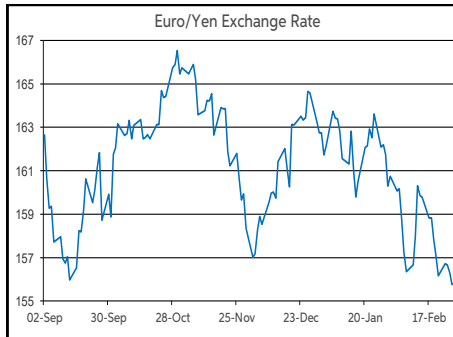
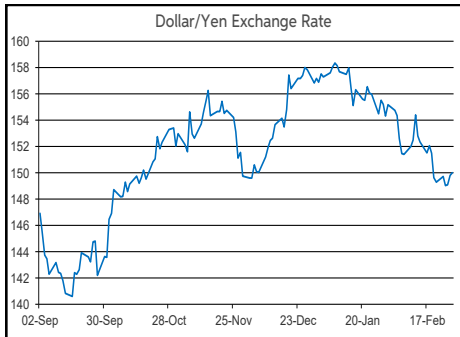
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

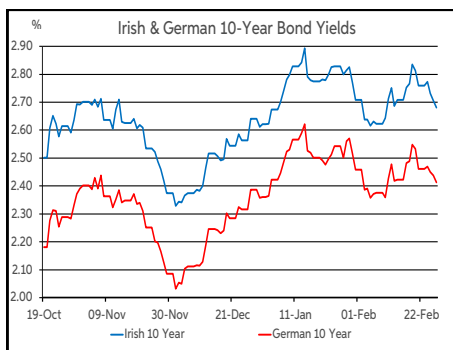
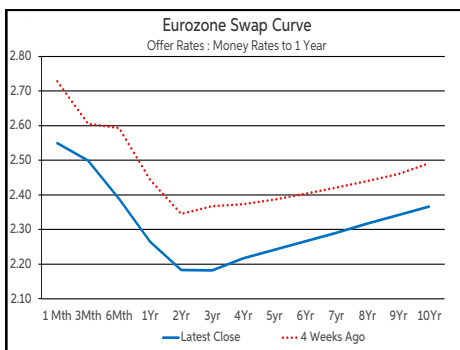
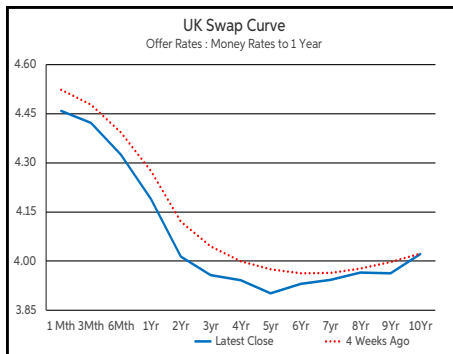
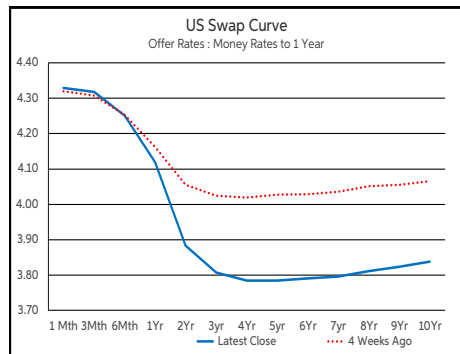
Friday 28 February 2025
06:46 am



Euro		Sterling		Dollar	
EUR/GBP	0.8254	GBP/EUR	1.2109	USD/JPY	150.01
EUR/USD	1.0385	GBP/USD	1.2578	USD/CAD	1.4441
EUR/JPY	155.8	GBP/CAD	1.8159	USD/CHF	0.8997
EUR/SEK	11.1981	GBP/NZD	2.2454	USD/CNY	7.2859
EUR/DKK	7.4583	GBP/JPY	188.68	USD/BRL	5.8401
EUR/NOK	11.7036	GBP/SEK	13.5582	USD/RUB	87.8
EUR/CHF	0.9344	GBP/DKK	9.029	USD/INR	87.399
EUR/AUD	1.6721	GBP/NOK	14.1739	AUD/USD	0.621
EUR/HKD	8.0784	GBP/CHF	1.1311	NZD/USD	0.5597
EUR/CAD	1.5	GBP/AUD	2.0241		



Debt Markets				
	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.29	+4	-23	-29
Germany	2.41	-3	-10	+5
UK	4.51	+1	-5	-6
5 Year Swap %				
US	4.04	+0	-24	-25
Eurozone	2.23	+2	-14	-0
UK	4.18	+0	-3	-11
2 Year Swap %				
US	4.14	-1	-16	-19
Eurozone	2.17	+1	-17	-2
UK	4.26	-1	-8	-23
10 Year Government Bond Spreads to Benchmark bps				
Ireland	28	-0	+1	-1
Belgium	58	+1	-3	-4
France	73	+1	-2	-10
Italy	107	+2	-1	-9
Spain	68	+2	+7	-3
Portugal	53	+2	+12	+4
Greece	89	+2	+1	+0



Commodities				
	Close	Day	4 Weeks	End 24
Brent Oil	74.04	+2.08	-3.68	-0.80
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2876.2	-1.37	+2.95	+9.62

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