

Tariff fall out likely to dominate again this week

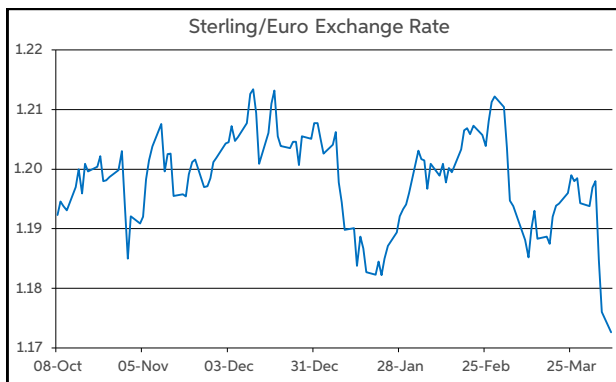
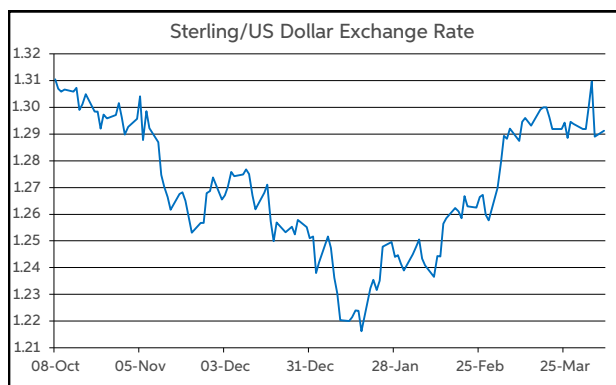
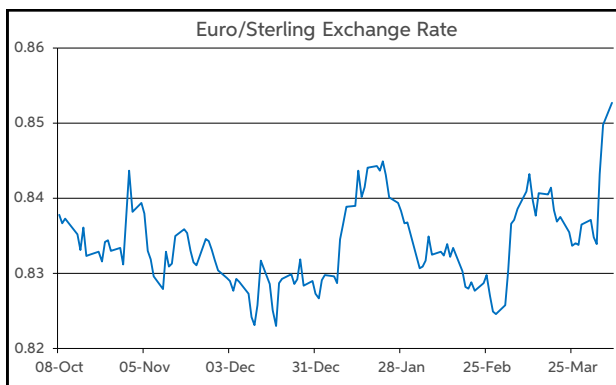
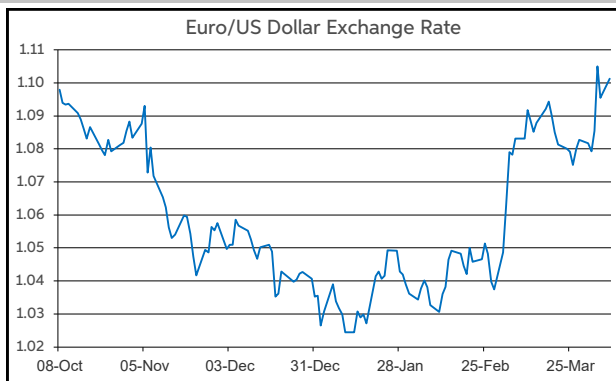
The announcement of broad and substantial US trade tariffs last week sparked significant volatility and a severe risk-off tone on financial markets last week. Retaliatory actions from China, which will now impose a minimum 34% tariff on all US imports, and plans to restrict exports of some rare earth materials also weighed on sentiment. Against this backdrop, a better than expected US labour market report for March on Friday did not impact markets.

Overall, the Euro Stoxx 50 fell by 8.5% last week, while the S&P 500 recorded a 9.1% loss. Concerns regarding the global economic outlook also contributed to a marked softening in market rate expectations, particularly in the US and the UK. This in-turn saw bond yields move lower across the board by 15-30bps, led by a decline at the front-end of the curves. Similarly, oil prices dropped by circa 10%, with Brent crude currently back near \$65 per barrel.

Currency-wise, traditional safe-havens such as the yen and the Swiss franc were the largest beneficiaries of the risk averse tone on markets. At the same time, the euro moved higher versus the dollar and sterling, as rate expectations did not soften to the same extent in the Eurozone as elsewhere. As trading gets underway this morning, EUR/USD is operating just above \$1.10, having touched a new YTD high above \$1.114 last week. GBP/USD is in the lower half of \$1.29-1.30. Meanwhile, EUR/GBP is up above the 85p handle. USD/JPY is back at the midpoint of ¥145-146.

Turning to the week ahead, tariff related news flow will remain front and centre of market discourse. Data-wise, the March reading of US CPI inflation will be released. Elsewhere, the monthly print of UK GDP for February is due. The Eurozone calendar is somewhat sparse this week.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1012	-0.67	6.37
EUR/GBP	0.8524	0.72	3.03
GBP/USD	1.2912	-1.40	3.21
GBP/EUR	1.1723	-0.72	-2.94
USD/JPY	145.58	0.11	-7.38
EUR/JPY	160.35	-0.55	-1.47

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
	Money Market			Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.38	4.27	4.15	3.58	3.51	3.55
EUR	2.65	2.34	2.32	2.08	1.99	2.20
GBP	4.50	4.44	4.29	4.00	4.09	4.02

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

Monday 07 April 2025
07:21 am



Euro

EUR/GBP	0.8524
EUR/USD	1.1012
EUR/JPY	160.35
EUR/SEK	11.0585
EUR/DKK	7.462
EUR/NOK	11.9456
EUR/CHF	0.936
EUR/AUD	1.8337
EUR/HKD	8.5548
EUR/CAD	1.5663

Sterling

GBP/EUR	1.1723
GBP/USD	1.2912
GBP/CAD	1.8365
GBP/NZD	2.3203
GBP/JPY	187.97
GBP/SEK	12.9682
GBP/DKK	8.7424
GBP/NOK	14.0053
GBP/CHF	1.097
GBP/AUD	2.1491

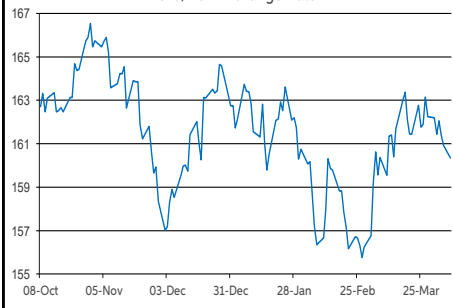
Dollar

USD/JPY	145.58
USD/CAD	1.4225
USD/CHF	0.8496
USD/CNY	7.3092
USD/BRL	5.8435
USD/RUB	84.85
USD/INR	85.675
AUD/USD	0.6004
NZD/USD	0.5555

Dollar/Yen Exchange Rate

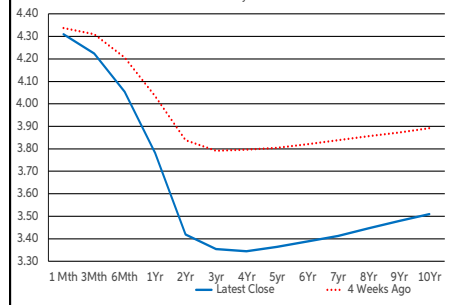


Euro/Yen Exchange Rate



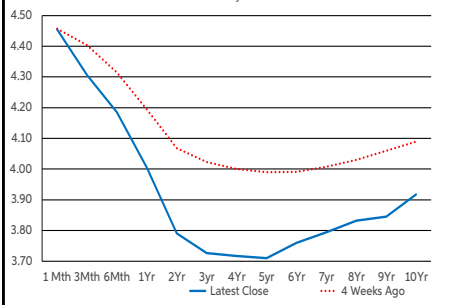
US Swap Curve

Offer Rates : Money Rates to 1 Year



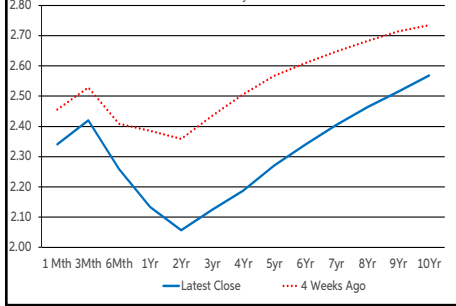
UK Swap Curve

Offer Rates : Money Rates to 1 Year

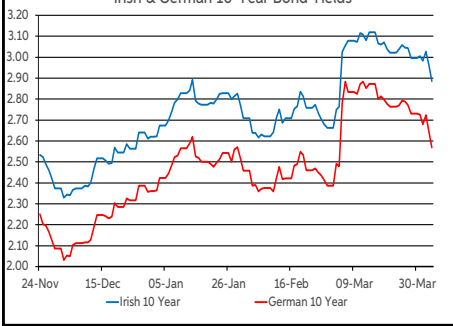


Eurozone Swap Curve

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	3.99	-6	-33	-59
Germany	2.57	-7	-27	+21
UK	4.45	-8	-20	-13
Ireland	2.94	-5	-17	+29
Belgium	3.19	-2	-21	+20
France	3.33	-4	-23	+13
Italy	3.76	-1	-14	+24
Spain	3.27	-3	-23	+20
Portugal	3.17	-2	-20	+32
Greece	3.48	-2	-20	+23
5 Year Swap %				
US	3.62	-6	-42	-67
Eurozone	2.27	-1	-29	+3
UK	3.97	-9	-26	-31
2 Year Swap %				
US	3.68	-8	-39	-65
Eurozone	2.04	-4	-32	-16
UK	4.05	-7	-24	-44
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	+2	+10	+9
Belgium	62	+5	+6	-0
France	76	+3	+4	-7
Italy	119	+7	+12	+4
Spain	70	+4	+4	-0
Portugal	60	+5	+7	+12
Greece	91	+5	+7	+2

Commodities

	Close	Day	4 Weeks	End 24
Brent Oil				
Brent Oil	65.58	-6.50	-6.79	-12.14
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3037.4	-2.42	+4.35	+15.76

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