Morning Comment

AIB Treasury Economic Research Unit

Monday 23 June 2025
06:49 am

Geopolitics and data in focus today

Throughout last week, the ongoing conflict in the Middle East weighed on investor sentiment. On equity markets, the Euro Stoxx 50 fell by 1.1%, while the S&P 500 edged 0.2% lower. Meanwhile, oil prices rose by over 4%, with Brent Crude now above $78 per barrel. However, the market reaction to the US strikes on Iran at the weekend has been muted thus far.

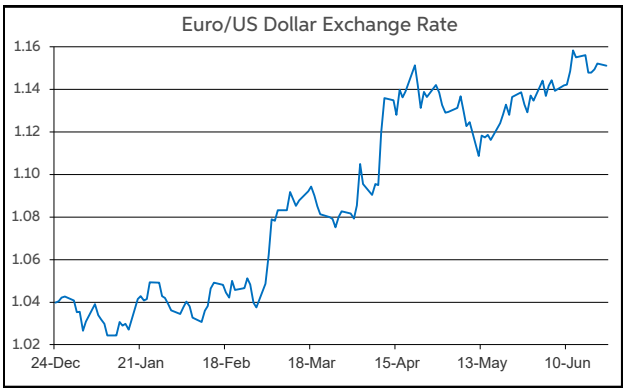
At the same time, a number of key central bank meetings also garnered significant attention last week. The Fed left policy on hold, as expected. Furthermore, there was little new guidance from the FOMC, with Chair Powell continuing to emphasise that the Fed is in no hurry to cut rates. Meantime, the BoE also left interest rates unchanged. However, there was a dovish tilt from the BoE, with three members voting for a 25bps rate cut. Against this backdrop, there has been a slight softening in US and UK futures contracts. 50bps of cuts are now fully priced-in for both regions by year end.

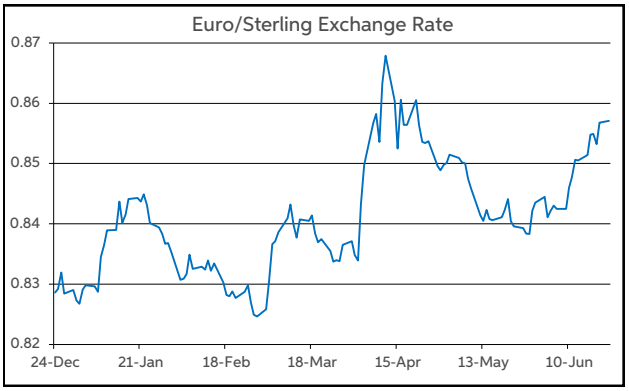
Currency-wise, the main FX pairs operated within relatively narrow trading bands throughout the week. Of the limited price action to note, sterling and the yen were under some downward pressure. Elsewhere, the dollar was holding a slightly firmer tone, supported by the risk averse mood on markets.

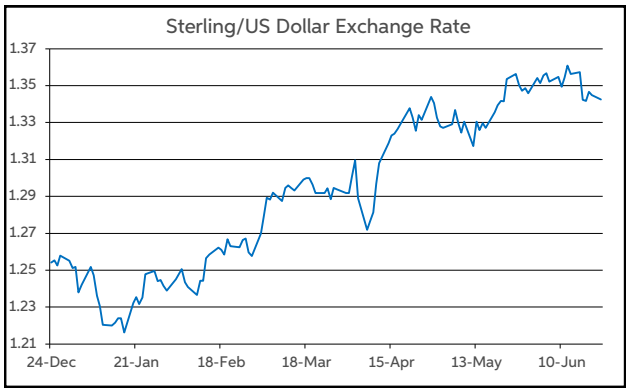
As trading gets underway this morning, EUR/USD is down near the $1.15 threshold. GBP/USD is changing hands back in the lower half of $1.34-1.35. Meanwhile, EUR/GBP is above the midpoint of 85-86p.

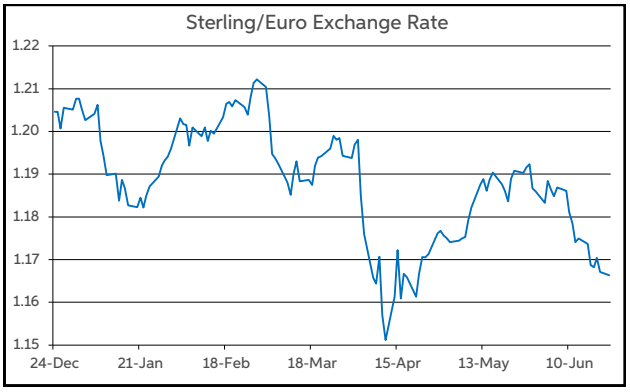
Turning to the week ahead, a busy data calendar includes the flash PMIs for June from some of the main advanced economies (due today), as well as US core-PCE inflation for May. Meantime, remarks from a number of Fed and ECB officials, including Fed Chair Powell's semi-annual testimony to Congress will be in focus. Investors will also be keeping a close eye on developments in the Middle East.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.1512	-0.11	11.19
EUR/GBP	0.8571	0.37	3.60
GBP/USD	1.3425	-0.50	7.31
GBP/EUR	1.166	-0.37	-3.48
USD/JPY	147.22	1.29	-6.34
EUR/JPY	169.51	1.17	4.15

* 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	4.32	4.31	4.02	3.98	3.90
EUR	2.00	1.87	2.03	2.01	2.01	2.24
GBP	4.25	4.21	4.13	3.88	3.99	4.02

All rates quoted are indicative market rates

See Next Page For More Rates &

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Opening Levels

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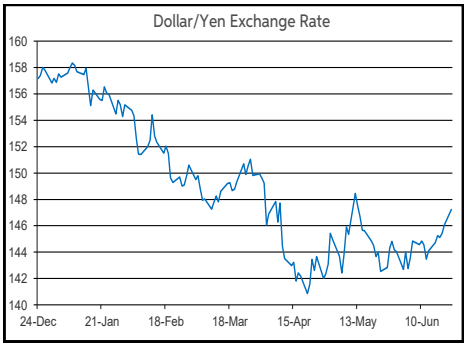
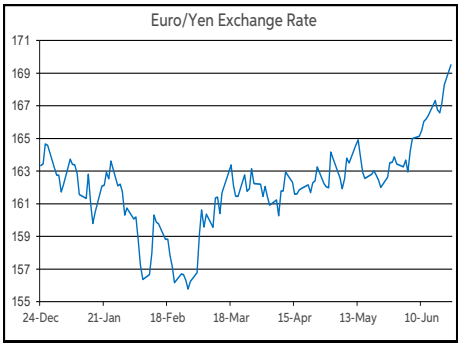
AIB

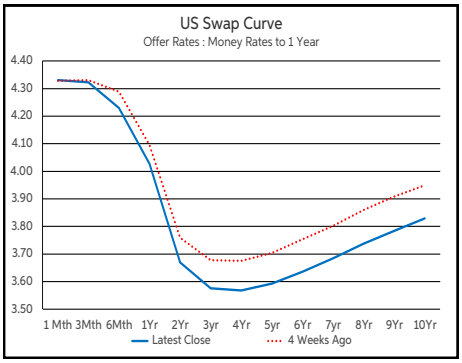
Euro	
EUR/GBP	0.8571
EUR/USD	1.1512
EUR/JPY	169.51
EUR/SEK	11.1592
EUR/DKK	7.4589
EUR/NOK	11.652
EUR/CHF	0.9407
EUR/AUD	1.7967
EUR/HKD	9.0374
EUR/CAD	1.5836

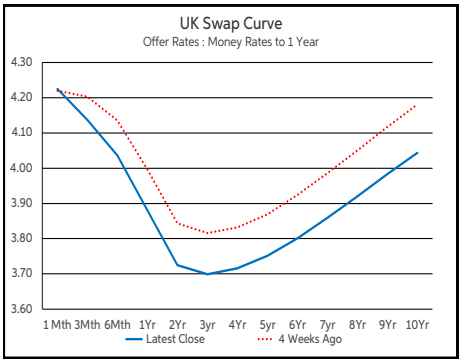
Sterling	
GBP/EUR	1.166
GBP/USD	1.3425
GBP/CAD	1.8468
GBP/NZD	2.2668
GBP/JPY	197.64
GBP/SEK	13.0121
GBP/DKK	8.6969
GBP/NOK	13.5964
GBP/CHF	1.0969
GBP/AUD	2.0946

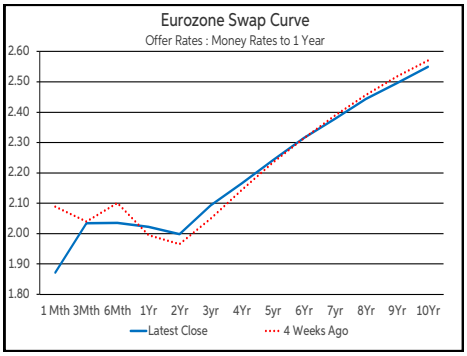
Dollar	
USD/JPY	147.22
USD/CAD	1.3757
USD/CHF	0.8171
USD/CNY	7.1868
USD/BRL	5.5129
USD/RUB	78.4
USD/INR	86.8
AUD/USD	0.6406
NZD/USD	0.5918

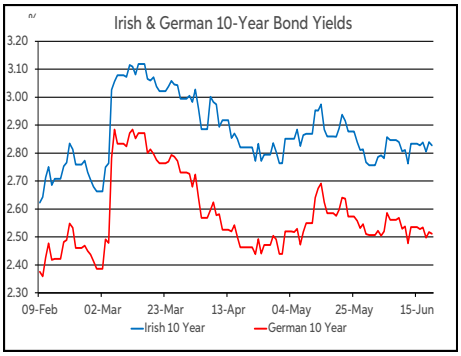












Debt Markets

	Close	Change bps Day	4 Weeks	End 24
10 Year Yield %				
US	4.38	-2	-14	-20
Germany	2.51	-1	-6	+15
UK	4.54	+1	-15	-4
Ireland	2.87	-1	-5	+22
Belgium	3.10	-3	-2	+11
France	3.24	-3	-3	+5
Italy	3.53	-2	-9	+0
Spain	3.22	-2	+2	+15
Portugal	3.04	-1	-6	+19
Greece	3.32	+0	-2	+7
5 Year Swap %				
US	3.86	-3	-7	-43
Eurozone	2.22	-1	-1	-1
UK	3.97	-1	-13	-31
2 Year Swap %				
US	3.94	-3	-7	-40
Eurozone	1.99	+0	+3	-20
UK	3.95	+0	-12	-53
10 Year Government Bond Spreads to Benchmark bps				
Ireland	36	-0	+1	+7
Belgium	58	-2	+4	-4
France	73	-2	+4	-10
Italy	101	-2	-2	-15
Spain	70	-2	+8	+0
Portugal	52	-1	+0	+4
Greece	81	+1	+4	-8

Commodities

	Close	% Change Day	4 Weeks	End 24
Brent Oil	78.13	-0.91	+20.61	+4.68
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	3368.0	-0.07	+0.33	+28.36

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