

## Attention on ECB meeting today

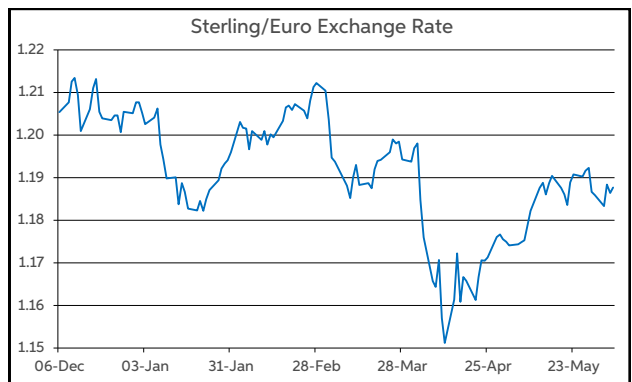
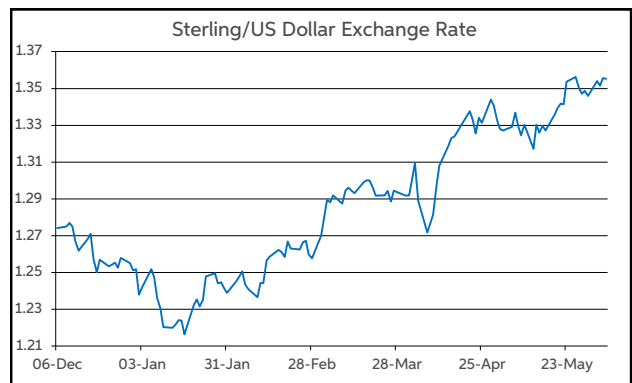
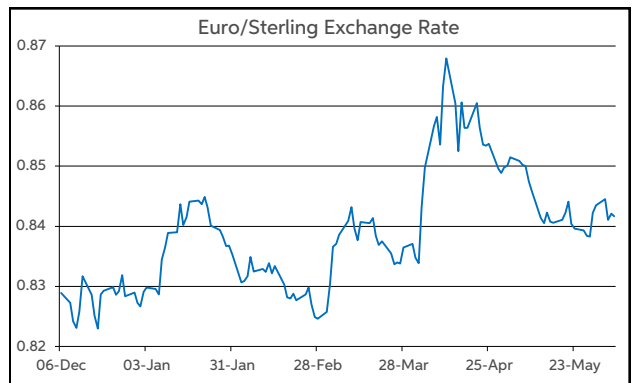
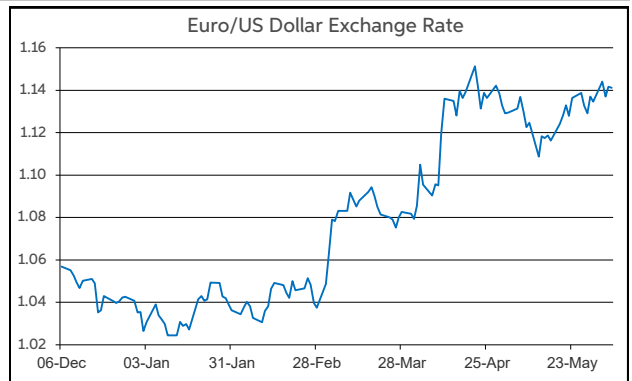
There was a subdued mood to investor sentiment for much of yesterday. At the closing bell on Wall Street last night, the S&P 500 was flat on the day. Data-wise, the macro calendar had some mixed results. There were upward revisions to the final May readings of the composite PMIs for the US, Eurozone and UK. Meanwhile, the US ADP employment report (May) missed to the downside of expectations. However, this metric is not a reliable guide to the more important non-farm payrolls number due on Friday. The US non-manufacturing ISM for May also printed below forecasts.

From a currency perspective, the dollar found itself on the back foot yesterday amid the mixed results from the US macro diary and lower US yields. In level terms, the softer dollar is reflected in EUR/USD opening this morning back above the \$1.14 threshold and GBP/USD operating at the midpoint of the \$1.35-1.36 trading band. Elsewhere, on the currency front, the action in EUR/GBP has remained confined to a very tight range, with the pair changing hands just above the 84p handle.

Looking ahead to today, the main scheduled highlight is the ECB policy setting meeting for June. The meeting provides some event risk for the euro. A 25bps rate cut is expected by markets. This would see the Depo rate lowered to 2.0% and represent the fourth consecutive rate cut from the ECB and eighth in total so far since it commenced its easing cycle last June.

Given that 25bps of easing is priced in by markets, a key point of focus will be what guidance, if any, is forthcoming from the Central Bank regarding the outlook for Eurozone rates. Therefore, the meeting statement, President Lagarde's press conference and updated macro projections will be scrutinized for insight on the potential for further policy easing. Futures contracts indicate that the market is anticipating the Depo rate ending the year near 1.75%.

**John Fahey, Senior Economist, AIB**



| Today's Opening FX Rates |        |          |          |
|--------------------------|--------|----------|----------|
|                          |        | % Change |          |
|                          |        | Day *    | End 2024 |
| EUR/USD                  | 1.1411 | 0.40     | 10.22    |
| EUR/GBP                  | 0.8417 | 0.08     | 1.74     |
| GBP/USD                  | 1.3552 | 0.31     | 8.32     |
| GBP/EUR                  | 1.1875 | -0.08    | -1.71    |
| USD/JPY                  | 143.11 | -0.79    | -8.95    |
| EUR/JPY                  | 163.32 | -0.40    | 0.35     |

\* 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 | 3.99       | 3.96 | 3.89 |
| EUR                    | 2.40         | 1.95  | 1.97 | 1.97       | 1.95 | 2.20 |
| GBP                    | 4.25         | 4.20  | 4.16 | 3.95       | 4.04 | 4.06 |

All rates quoted are indicative market rates

See Next Page For More Rates &

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# Opening Levels

Thursday 05 June 2025  
07:26 am



## Euro

|         |         |
|---------|---------|
| EUR/GBP | 0.8417  |
| EUR/USD | 1.1411  |
| EUR/JPY | 163.32  |
| EUR/SEK | 10.9564 |
| EUR/DKK | 7.4597  |
| EUR/NOK | 11.5403 |
| EUR/CHF | 0.9346  |
| EUR/AUD | 1.7563  |
| EUR/HKD | 8.9533  |
| EUR/CAD | 1.5596  |

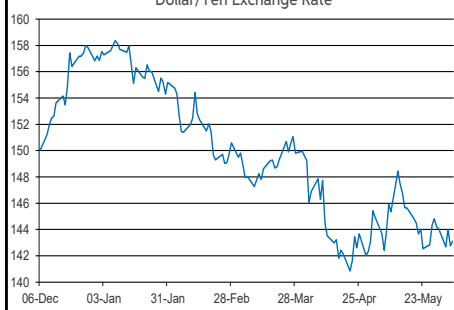
## Sterling

|         |         |
|---------|---------|
| GBP/EUR | 1.1875  |
| GBP/USD | 1.3552  |
| GBP/CAD | 1.8522  |
| GBP/NZD | 2.2452  |
| GBP/JPY | 193.93  |
| GBP/SEK | 13.0112 |
| GBP/DKK | 8.8592  |
| GBP/NOK | 13.704  |
| GBP/CHF | 1.1098  |
| GBP/AUD | 2.0856  |

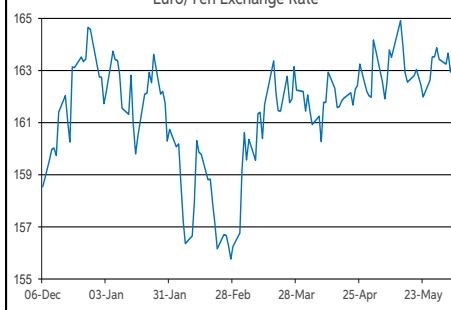
## Dollar

|         |        |
|---------|--------|
| USD/JPY | 143.11 |
| USD/CAD | 1.3671 |
| USD/CHF | 0.819  |
| USD/CNY | 7.1827 |
| USD/BRL | 5.632  |
| USD/RUB | 79.2   |
| USD/INR | 85.762 |
| AUD/USD | 0.6494 |
| NZD/USD | 0.6033 |

Dollar/Yen Exchange Rate

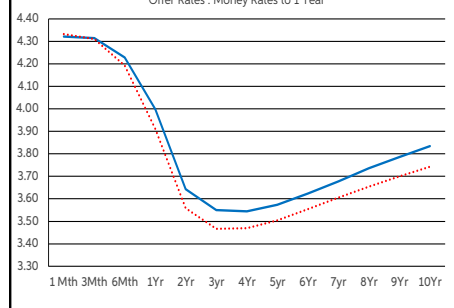


Euro/Yen Exchange Rate



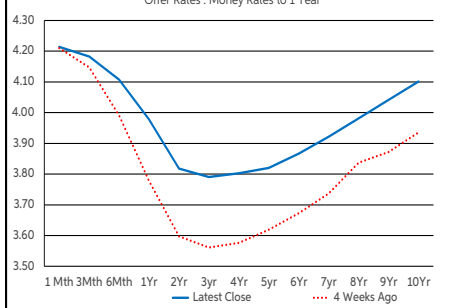
US Swap Curve

Offer Rates : Money Rates to 1 Year



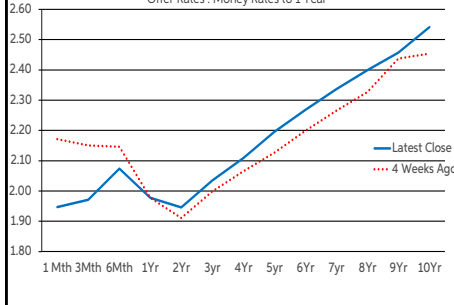
UK Swap Curve

Offer Rates : Money Rates to 1 Year

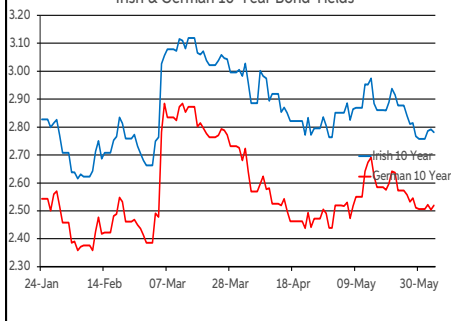


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

|  | Close | Change bps |         |        |
|--|-------|------------|---------|--------|
|  |       | Day        | 4 Weeks | End 24 |
| 10 Year Yield %                                  |       |            |         |        |
| US   | 4.37  | -9         | +9      | -21    |
| Germany  | 2.52  | +2         | +5      | +16    |
| UK   | 4.60  | -5         | +14     | +3     |
|  |       |            |         |        |
| Ireland  | 2.83  | +1         | -3      | +18    |
| Belgium  | 3.06  | +2         | -1      | +8     |
| France   | 3.21  | +2         | +1      | +1     |
| Italy  | 3.51  | +1         | -5      | -1     |
| Spain  | 3.12  | +2         | -1      | +6     |
|  |       |            |         |        |
| Portugal   | 3.01  | +2         | -1      | +16    |
| Greece   | 3.29  | +3         | -4      | +4     |
| -----  |       |            |         |        |
| 5 Year Swap %                                    |       |            |         |        |
| US   | 3.83  | -9         | +9      | -46    |
| Eurozone   | 2.19  | +2         | +7      | -5     |
| UK   | 4.06  | -3         | +19     | -23    |
| -----  |       |            |         |        |
| 2 Year Swap %                                    |       |            |         |        |
| US   | 3.92  | -6         | +12     | -41    |
| Eurozone   | 1.94  | +1         | +4      | -25    |
| UK   | 4.03  | -2         | +19     | -46    |
| -----  |       |            |         |        |
| 10 Year Government Bond Spreads to Benchmark bps |       |            |         |        |
| Ireland  | 31    | -1         | -8      | +2     |
|  |       |            |         |        |
| Belgium  | 54    | +0         | -5      | -8     |
| France   | 68    | -0         | -4      | -15    |
| Italy  | 99    | -1         | -10     | -17    |
| Spain  | 60    | -0         | -6      | -10    |
|  |       |            |         |        |
| Portugal   | 48    | +0         | -5      | -0     |
| Greece   | 77    | +1         | -9      | -11    |

## Commodities

|                | Close  | % Change |         |        |
|----------------|--------|----------|---------|--------|
|                |        | Day      | 4 Weeks | End 24 |
| Brent Oil      | 64.86  | -1.17    | +6.12   | -13.10 |
| West Texas Oil | 71.65  | -0.17    | -1.90   | -1.27  |
| Gold \$        | 3375.4 | +0.70    | +0.33   | +28.65 |

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