

## Monetary policy spotlight turns to the BoE

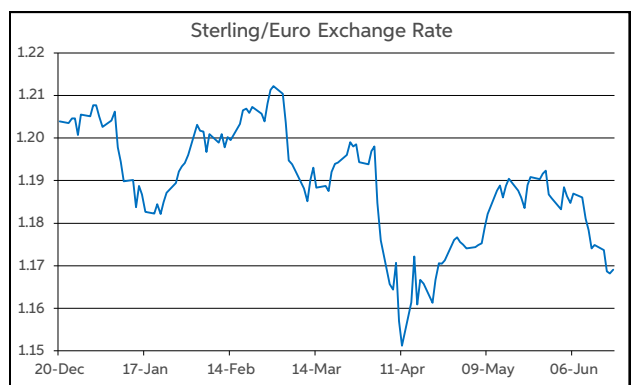
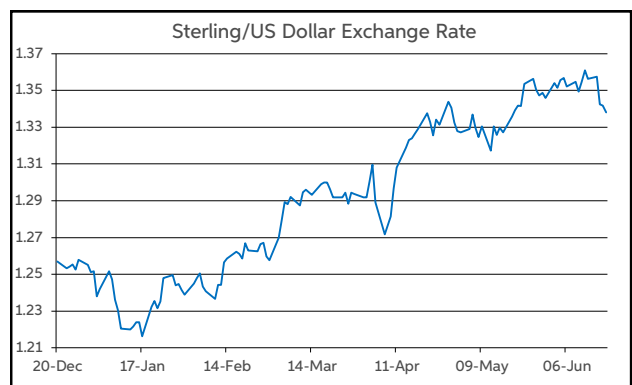
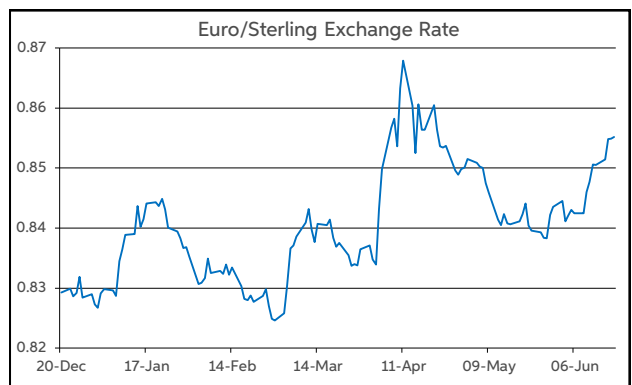
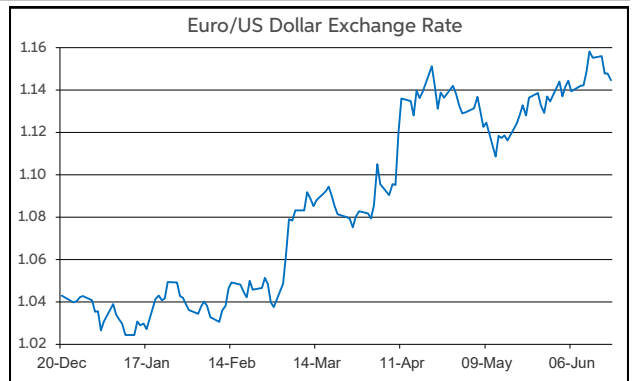
As expected, the US Fed announced no changes to its monetary policy yesterday. The Fed funds target range remains at 4.25-4.50%. Furthermore, there were no material changes to the limited guidance offered by the FOMC. The median projection in the updated interest rate dotplot is still for two rate cuts this year, in-line with the March projections. Meantime, at the press conference, Char Powell continued to indicate that the Fed is in no hurry to alter interest rates.

Unsurprisingly then, there was a muted market reaction to the Fed policy announcement. Futures contracts are still pricing in circa two rate cuts this year (in-line with the dots). Meanwhile, US Treasury yields were little changed yesterday, while the S&P 500 finished flat for the day. Elsewhere, there was a slightly cautious mood on markets, amid on-going tensions in the Middle East. This was reflected by the Euro Stoxx 50 falling by 0.4%.

Against that backdrop, the main FX pairs operated in relatively narrow ranges once again throughout the past 24 hours. Of the limited moves to note, the dollar was holding a firmer tone overnight. Overall, the greenback gained around 0.2-0.4% versus the euro, sterling and yen. In level terms, this sees EUR/USD open this morning down at the midpoint of \$1.14-1.15. Meanwhile, GBP/USD is changing hands below the \$1.34 threshold. EUR/GBP remains at the halfway mark of the 85-86p band. USD/JPY is north of the ¥145 handle.

Turning to the day ahead, the monetary policy spotlight will turn to the BoE. However, as in the US, interest rates are expected to be unchanged. Investors will be paying attention to the vote breakdown within the MPC, given there was a three-way split last time around in May (when they cut rates). Elsewhere, a market holiday in the US suggests that trading volumes may be light. Meantime, developments in the Middle East may continue to impact investor sentiment.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1446	-0.50	10.56
EUR/GBP	0.8551	-0.06	3.36
GBP/USD	1.3381	-0.45	6.95
GBP/EUR	1.169	0.06	-3.25
USD/JPY	145.34	0.22	-7.53
EUR/JPY	166.36	-0.29	2.22

\* 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	4.32	4.32	4.05	4.01	3.93
EUR	2.00	1.90	2.02	2.02	2.01	2.25
GBP	4.25	4.20	4.13	3.87	3.96	3.97

All rates quoted are indicative market rates

See Next Page For More Rates &

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# Opening Levels

Thursday 19 June 2025  
07:33 am



## Euro

EUR/GBP	0.8551
EUR/USD	1.1446
EUR/JPY	166.36
EUR/SEK	11.0986
EUR/DKK	7.4591
EUR/NOK	11.4732
EUR/CHF	0.9402
EUR/AUD	1.7711
EUR/HKD	8.9852
EUR/CAD	1.5713

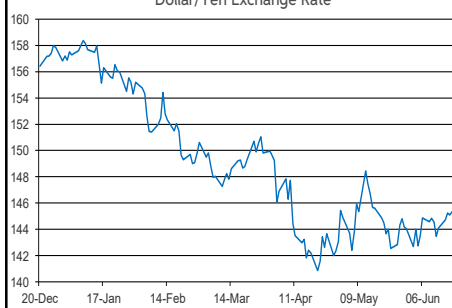
## Sterling

GBP/EUR	1.169
GBP/USD	1.3381
GBP/CAD	1.8367
GBP/NZD	2.2425
GBP/JPY	194.48
GBP/SEK	12.9757
GBP/DKK	8.7187
GBP/NOK	13.4126
GBP/CHF	1.099
GBP/AUD	2.0705

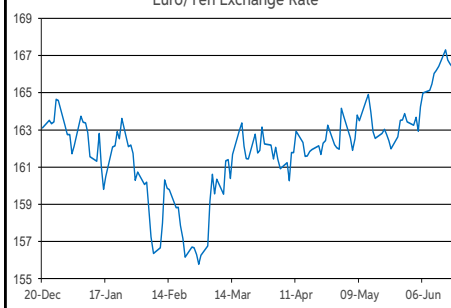
## Dollar

USD/JPY	145.34
USD/CAD	1.3728
USD/CHF	0.8213
USD/CNY	7.191
USD/BRL	5.4924
USD/RUB	78.4
USD/INR	86.673
AUD/USD	0.646
NZD/USD	0.5964

Dollar/Yen Exchange Rate

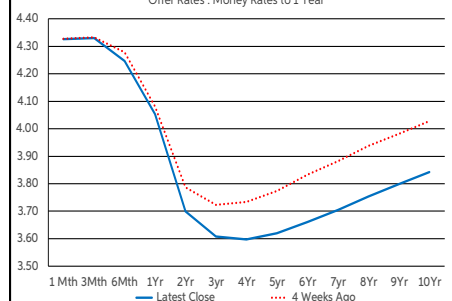


Euro/Yen Exchange Rate



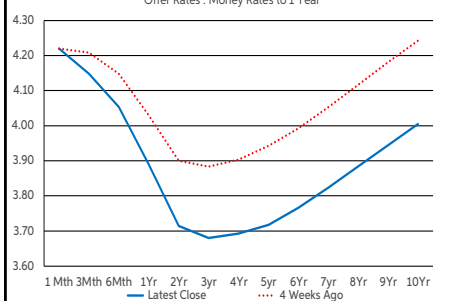
US Swap Curve

Offer Rates : Money Rates to 1 Year



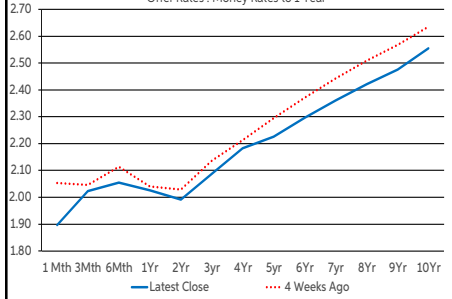
UK Swap Curve

Offer Rates : Money Rates to 1 Year

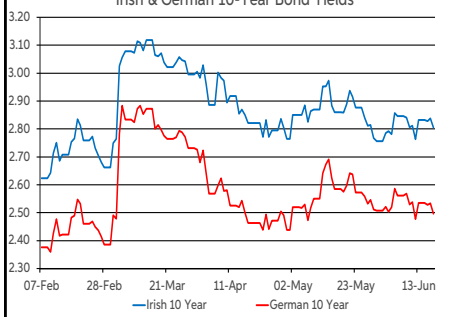


Eurozone Swap Curve

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	4.40	+0	-20	-18
Germany	2.50	-4	-14	+14
UK	4.50	-5	-26	-8
Ireland	2.85	-3	-12	+20
Belgium	3.08	-4	-9	+10
France	3.22	-4	-9	+2
Italy	3.48	-4	-17	-4
Spain	3.19	-4	-6	+13
Portugal	3.02	-3	-13	+17
Greece	3.30	-0	-11	+5
5 Year Swap %				
US	3.89	+2	-14	-40
Eurozone	2.22	-1	-7	-2
UK	3.96	-2	-21	-32
2 Year Swap %				
US	3.97	-1	-5	-36
Eurozone	1.99	-2	-4	-20
UK	3.94	-0	-18	-55
10 Year Government Bond Spreads to Benchmark bps				
Ireland	35	+0	+2	+6
Belgium	58	-0	+6	-4
France	72	-0	+5	-12
Italy	98	-1	-3	-18
Spain	69	-0	+8	-1
Portugal	52	+0	+2	+3
Greece	80	+3	+3	-9

## Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	76.7	+0.33	+18.16	+2.76
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3368.7	-0.58	+1.65	+28.39

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