

# Morning Comment

AIB Treasury Economic Research Unit



Tuesday 22 April 2025  
07:11 am

## EUR/USD above \$1.15

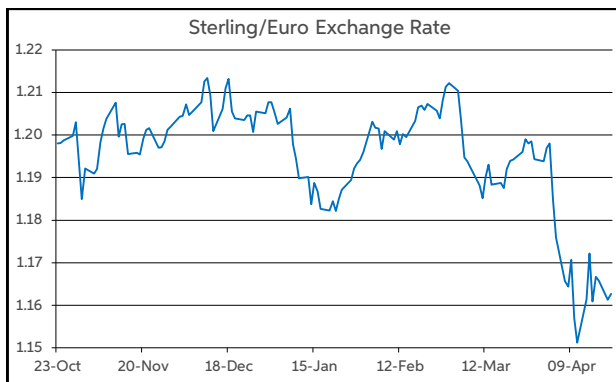
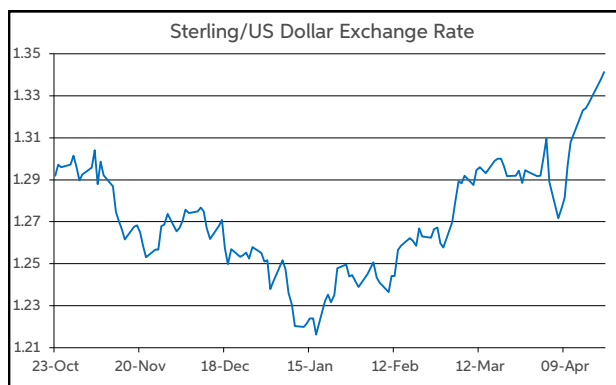
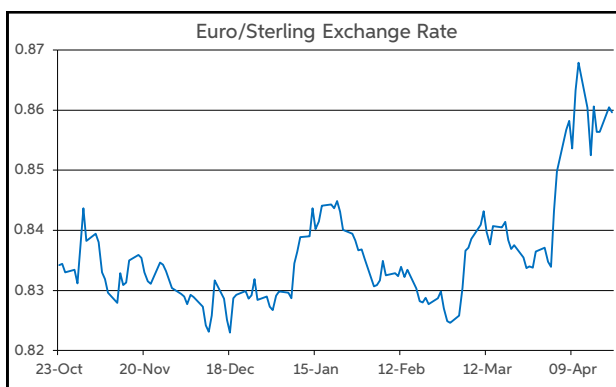
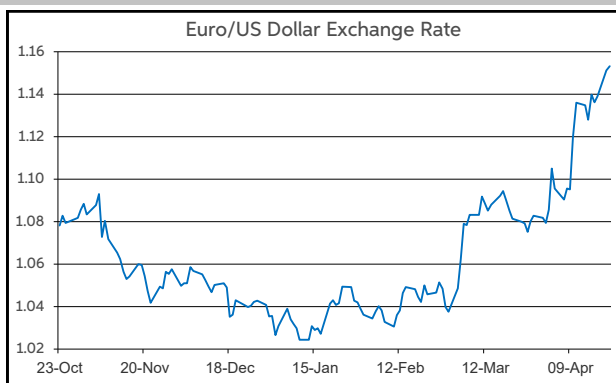
There was a risk-off tone to investor sentiment yesterday, amid relatively light trading conditions at the start of the week on financial markets. Market holidays across Europe partly contributed to this. Meantime, in the US, the cautious mood from investors appears to have stemmed from two sources. Firstly, a lack of progress in signing new trade deals since the tariffs were paused for 90-days. Secondly, concern that President Trump may try to influence monetary policy, after he criticised Fed Chair Powell over the weekend.

Against this backdrop, US equity markets moved lower, Treasury yields climbed higher, while the dollar depreciated further, in what looks to be an extension of the "Sell America" theme currently on markets. The S&P 500 declined by 2.4%, while the Dow Jones Industrial Average shed 2.5%. Elsewhere, long-dated US Treasury yields moved 4-10bps higher yesterday, meaning the 10-year yield is now back above 4.4%. However, the 2-year yields fell by 5bps, amid a slight softening in US market rate expectations. Futures contracts pricing now suggests the Fed will cut rates up to 4 times this year.

The leg lower in the dollar was broad-based, and continued to benefit the euro, as well as traditional safe havens such as the yen and the Swiss franc. The greenback shed circa 1% versus all three currencies. Against this backdrop, EUR/USD moved above the \$1.15 threshold for the first time in three and a half years. As trading gets underway this morning, EUR/USD is in the lower half of \$1.15-1.16, having reached a high of \$1.1573 yesterday. EUR/GBP is at 86p. GBP/USD is north of the \$1.34 mark. USD/JPY is back below ¥140.

Turning to the day ahead, the macro calendar is limited on both sides of the Atlantic. The main data release of note will be Eurozone consumer confidence for April. Meantime, remarks from a number of ECB, Fed and BoE officials will garner attention. US trade policy related news flow may also influence investor sentiment.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1535	0.16	11.42
EUR/GBP	0.8599	-0.06	3.94
GBP/USD	1.3412	0.25	7.20
GBP/EUR	1.1625	0.06	-3.79
USD/JPY	139.96	-0.57	-10.96
EUR/JPY	161.47	-0.41	-0.79
* 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	4.27	3.82	3.79	3.87
EUR	2.40	2.13	2.18	1.94	1.86	2.14
GBP	4.50	4.32	4.20	3.86	3.99	4.01

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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# Opening Levels

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## Euro

EUR/GBP	0.8599
EUR/USD	1.1535
EUR/JPY	161.47
EUR/SEK	10.9643
EUR/DKK	7.467
EUR/NOK	11.9157
EUR/CHF	0.9321
EUR/AUD	1.7926
EUR/HKD	8.9505
EUR/CAD	1.5914

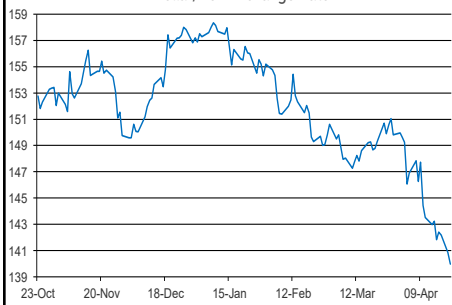
## Sterling

GBP/EUR	1.1625
GBP/USD	1.3412
GBP/CAD	1.8504
GBP/NZD	2.2269
GBP/JPY	187.73
GBP/SEK	12.7493
GBP/DKK	8.6781
GBP/NOK	13.849
GBP/CHF	1.0834
GBP/AUD	2.0837

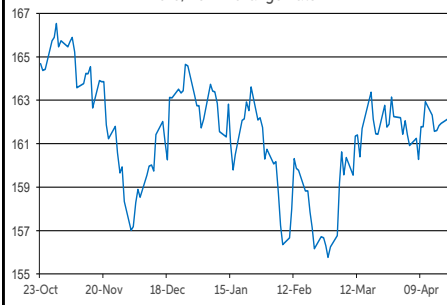
## Dollar

USD/JPY	139.96
USD/CAD	1.3797
USD/CHF	0.8077
USD/CNY	7.3069
USD/BRL	5.8065
USD/RUB	80.8
USD/INR	85.0725
AUD/USD	0.6434
NZD/USD	0.6019

Dollar/Yen Exchange Rate

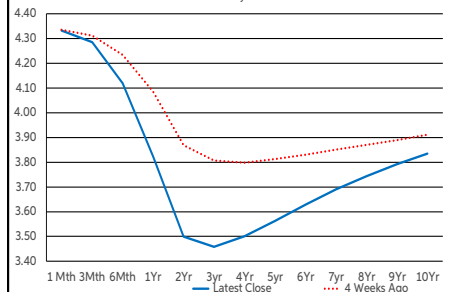


Euro/Yen Exchange Rate



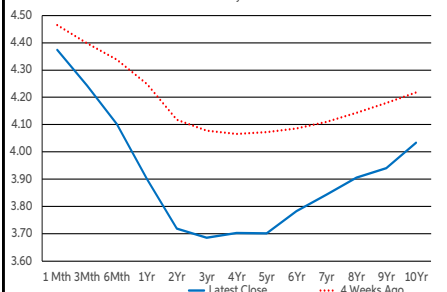
US Swap Curve

Offer Rates : Money Rates to 1 Year



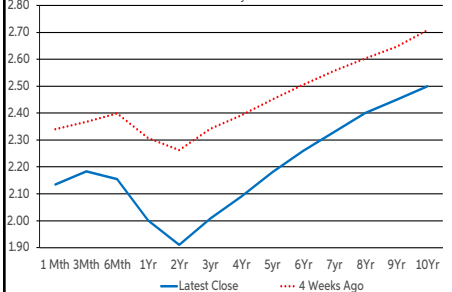
UK Swap Curve

Offer Rates : Money Rates to 1 Year

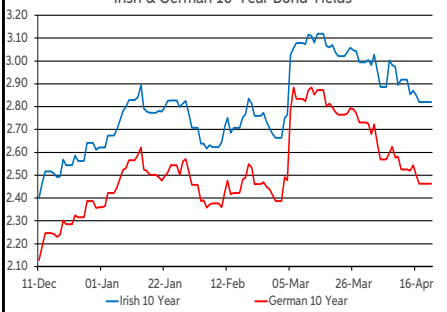


Eurozone Swap Curve

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	4.41	+8	+7	-17
Germany	2.47	-4	-31	+10
UK	4.57	-3	-14	+0
5 Year Swap %				
US	3.82	-0	-23	-47
Eurozone	2.17	+0	-27	-7
UK	3.96	-3	-34	-32
2 Year Swap %				
US	3.75	-4	-35	-58
Eurozone	1.90	-0	-35	-29
UK	3.95	-1	-40	-54
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	-0	+8	+9
Belgium	62	+0	+7	-0
France	78	+1	+9	-5
Italy	119	-1	+14	+3
Spain	71	+1	+8	+1
Portugal	59	-1	+7	+10
Greece	93	-1	+7	+5

## Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	66.26	-2.50	-9.23	-11.23
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3424.3	+2.91	+13.68	+30.51

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