

Fed meeting in focus today

The cautious tone to investor sentiment continued yesterday, amid a relatively quiet day across financial markets. A light data calendar likely contributed to the limited price action. The only release of note, Eurozone producer price inflation printed below the consensus, falling to 1.9% (vs. 2.5% f'cast) in March, from 3.0%. However, the data had no tangible impact on proceedings.

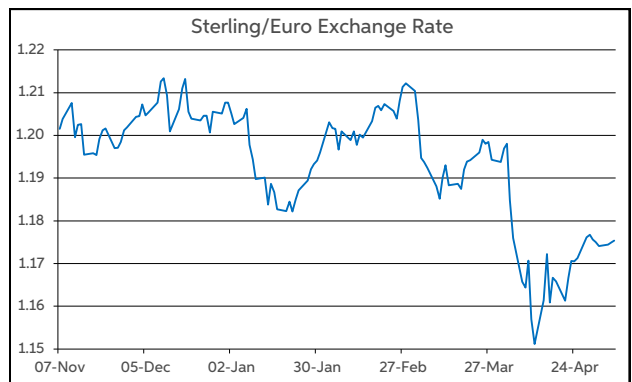
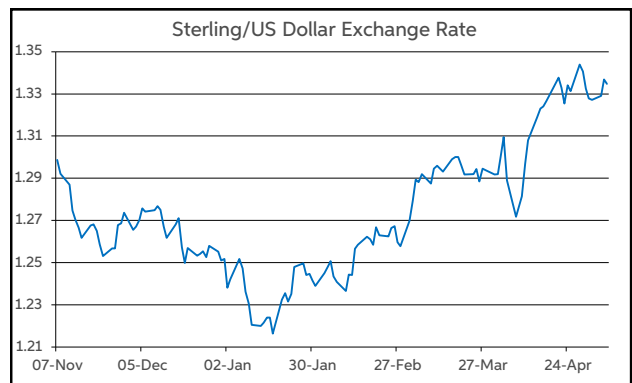
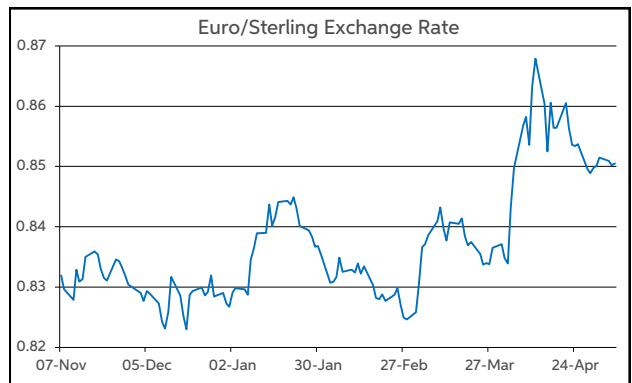
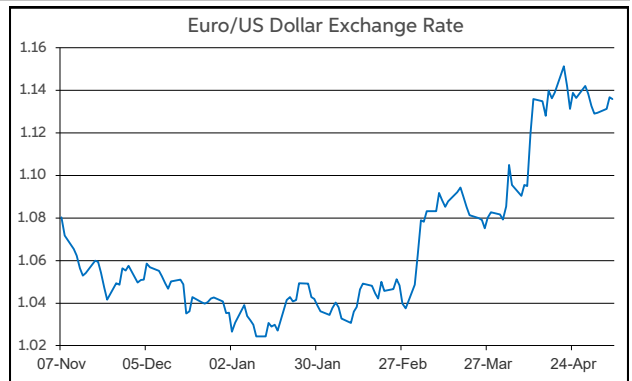
On equity markets, benchmark indices moved lower on both sides of the Atlantic. The Euro Stoxx 50 fell by 0.4% yesterday, while the S&P 500 shed 0.8%. Meanwhile, US Treasury yields inched 2-4bps lower. In contrast, German Bund yields were little changed, and UK Gilts drifted 1-2bps higher. Elsewhere on markets, oil prices continued to rise, with Brent crude moving above \$62 per barrel.

Currency-wise, trading conditions have been somewhat choppy over the past 24 hours. Initially, sterling was in the ascendancy, albeit there was no obvious catalyst for the move. At the same time, the euro was on the defensive, as CDU leader Merz failed to be elected German Chancellor the first time of asking. However, following Merz election at the second attempt, the euro recouped its losses. Overnight, the dollar has been under pressure. The unfavourable move in US Treasury yields was unhelpful for the greenback.

As trading gets underway this morning, this sees EUR/USD open in the top half of the \$1.13-1.14 range. GBP/USD is changing hands up at the midpoint of the \$1.33-1.34 corridor. Meanwhile, EUR/GBP is just above the 85p mark.

Today, the spotlight will be on the US Fed FOMC meeting outcome. The Fed is widely expected to leave policy on hold. Indeed, the focus will be on any remarks on the economic outlook, the potential impact of tariffs, and on the Fed's independence. Data-wise, Eurozone retail sales are forecast to stagnate in March.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1359	0.32	9.72
EUR/GBP	0.8505	-0.08	2.80
GBP/USD	1.3348	0.35	6.69
GBP/EUR	1.1749	0.08	-2.73
USD/JPY	143.11	-0.42	-8.95
EUR/JPY	162.57	-0.10	-0.11

* 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	4.33	4.30	3.91	3.86	3.83
EUR	2.40	2.15	2.14	1.99	1.94	2.18
GBP	4.50	4.23	4.15	3.79	3.88	3.91

All rates quoted are indicative market rates

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Opening Levels

Wednesday 07 May 2025
06:49 am



Euro

EUR/GBP	0.8505
EUR/USD	1.1359
EUR/JPY	162.57
EUR/SEK	10.8777
EUR/DKK	7.4612
EUR/NOK	11.6773
EUR/CHF	0.9365
EUR/AUD	1.7524
EUR/HKD	8.8073
EUR/CAD	1.5667

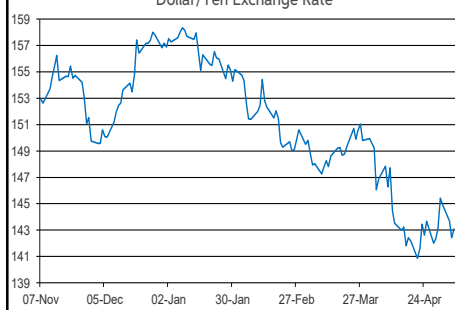
Sterling

GBP/EUR	1.1749
GBP/USD	1.3348
GBP/CAD	1.8408
GBP/NZD	2.2226
GBP/JPY	191.02
GBP/SEK	12.784
GBP/DKK	8.7676
GBP/NOK	13.7204
GBP/CHF	1.1005
GBP/AUD	2.0587

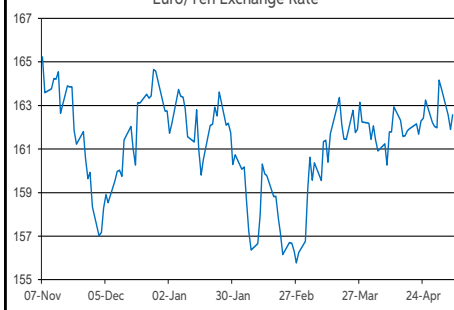
Dollar

USD/JPY	143.11
USD/CAD	1.3792
USD/CHF	0.8243
USD/CNY	7.2266
USD/BRL	5.6878
USD/RUB	81
USD/INR	84.519
AUD/USD	0.6479
NZD/USD	0.6001

Dollar/Yen Exchange Rate

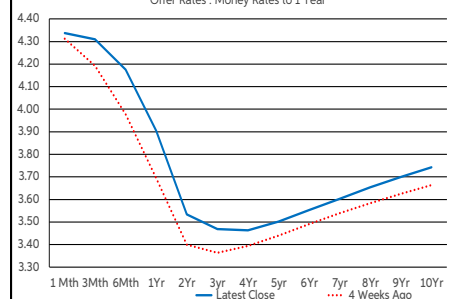


Euro/Yen Exchange Rate



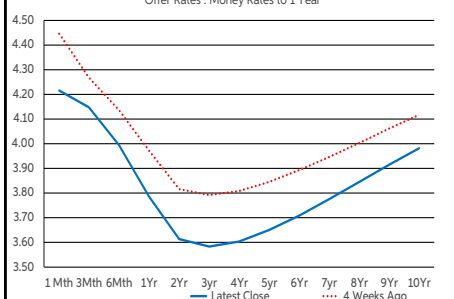
US Swap Curve

Offer Rates : Money Rates to 1 Year



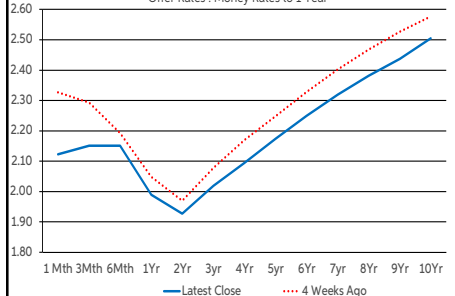
UK Swap Curve

Offer Rates : Money Rates to 1 Year

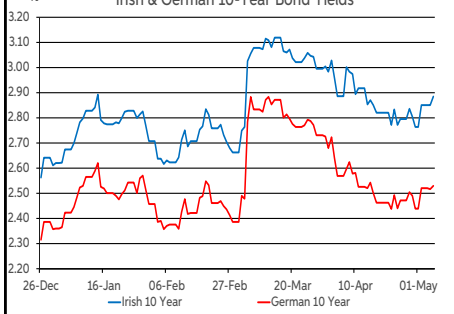


Eurozone Swap Curve

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	4.31	-4	+5	-27
Germany	2.53	+1	-9	+17
UK	4.51	+2	-9	-6
Ireland				
Belgium	2.92	+3	-11	+27
France	3.13	+2	-10	+15
Italy	3.26	+2	-14	+6
Spain	3.64	+2	-22	+12
Portugal	3.19	+2	-16	+13
Greece	3.07	+1	-17	+22
	3.42	+4	-15	+17
5 Year Swap %				
US	3.77	-4	+6	-52
Eurozone	2.17	-2	-7	-7
UK	3.89	-1	-16	-39
2 Year Swap %				
US	3.79	-5	+12	-54
Eurozone	1.92	-2	-4	-27
UK	3.85	-2	-16	-64
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	+2	-2	+10
Belgium	60	+1	-1	-2
France	73	+1	-4	-11
Italy	110	+0	-13	-5
Spain	66	+1	-7	-4
Portugal	54	-0	-8	+5
Greece	89	+3	-6	+0

Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	62.15	+3.19	-1.07	-16.73
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3429.3	+2.87	+14.93	+30.70

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