

USD/JPY above ¥162

Investor sentiment registered some improvement yesterday after last week's risk averse backdrop. Signs that both the US and Iran were looking to de-escalate the recent flare-up in tensions was helpful to risk appetite. In Europe, the Euro Stoxx 50 edged 0.2% higher. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 1.2% higher on the day.

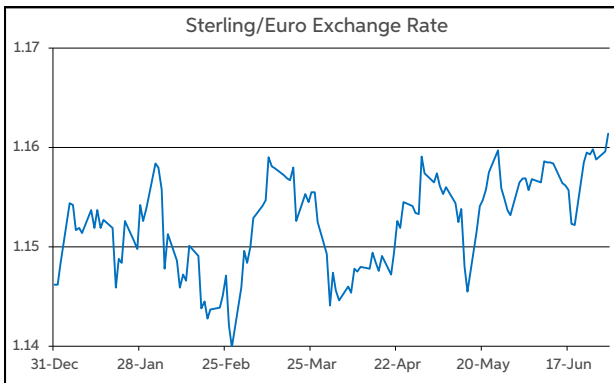
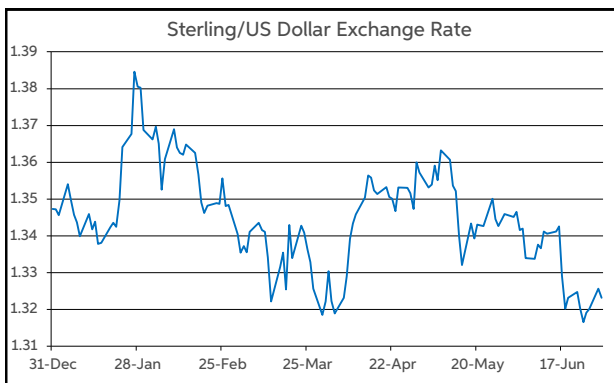
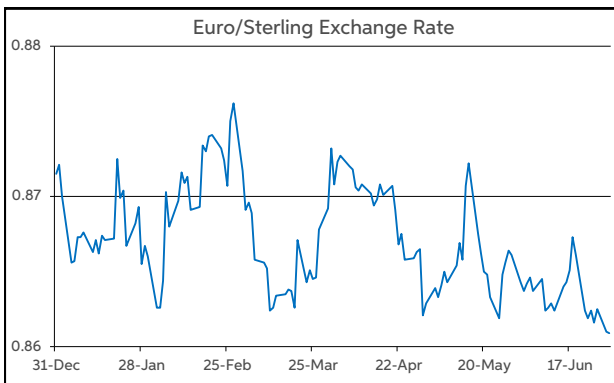
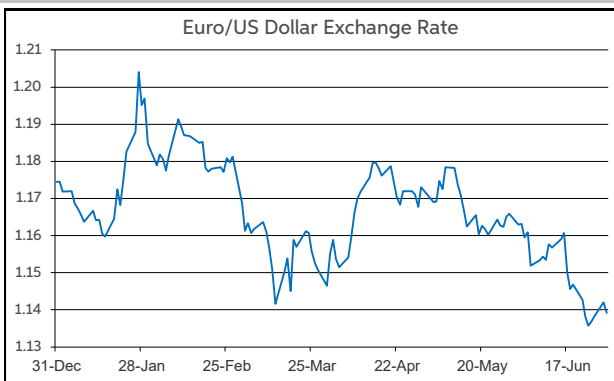
Yesterday's macro data calendar was Eurozone centric and lacking in top tier releases. The main highlight was the EC economic sentiment indices for June. Similar to the previous week's PMI report, the survey printed ahead of expectations, indicating that the negative drag on activity in the region from the Middle East conflict may be starting to fade, albeit confidence levels still remain subdued overall.

From a currency perspective, most of the majors were confined to narrow ranges yesterday. This was not overly surprising given the lack of top tier data on the daily schedule. One exception and notable feature of the FX action though was the yen continuing to weaken. The USD/JPY pair pushed above the ¥162 level, a 40-year low from a yen perspective, prompting Japanese officials to threaten "bold actions" to support the currency.

The majority of the other main FX pairs open this morning showing minimal changes from 24 hours earlier. In level terms, EUR/USD continues to straddle the \$1.14 threshold, while GBP/USD remains in the lower half of the \$1.32-1.33 band. Elsewhere, the EUR/GBP pair has been changing hands in a very tight corridor just above 86p.

Looking ahead to today, from a Eurozone viewpoint, the macro diary features Italian and German flash HICP inflation readings for June. There is a also busy slate of ECB speakers at its "Forum on Central Banking". In the US, the main releases of note are job openings (May) and consumer confidence (June).

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1392	0.10	-3.01
EUR/GBP	0.8609	-0.16	-1.22
GBP/USD	1.3232	0.26	-1.79
GBP/EUR	1.1612	0.16	1.23
USD/JPY	162.26	0.28	3.58
EUR/JPY	184.87	0.37	0.48

* 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	3.63	3.65	3.73	3.97	4.23	4.11
EUR	2.25	2.18	2.29	2.71	2.73	2.74
GBP	3.75	3.73	3.76	3.98	4.24	4.29

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Euro

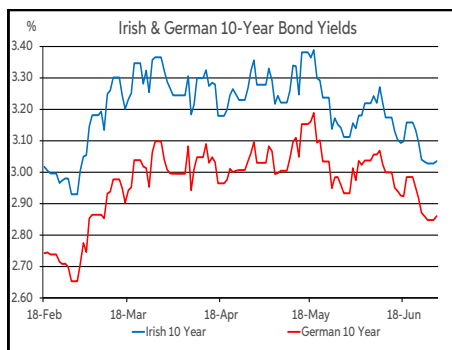
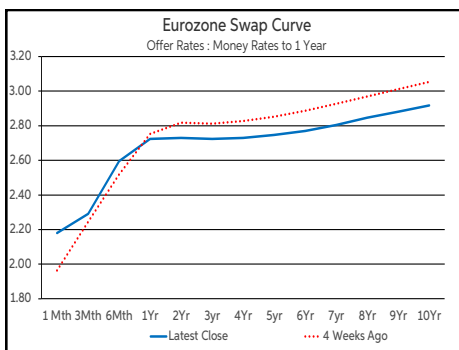
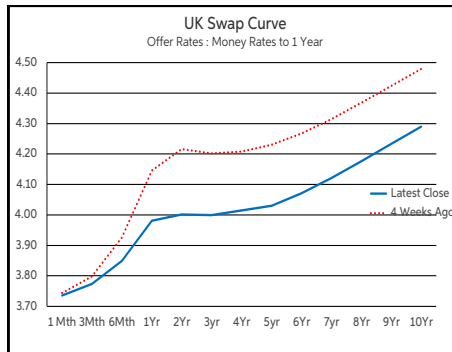
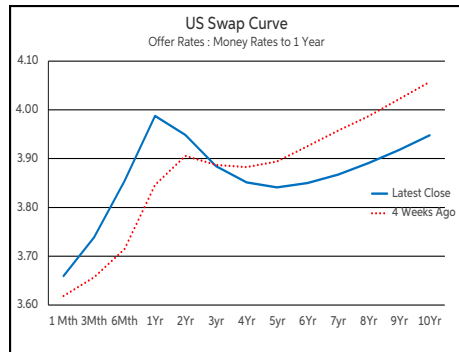
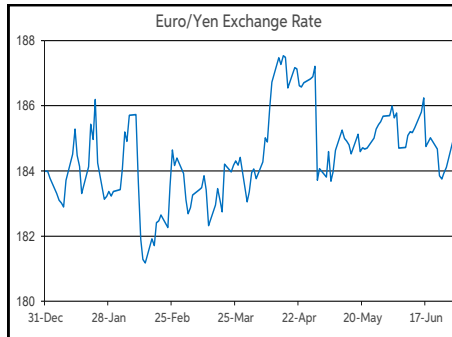
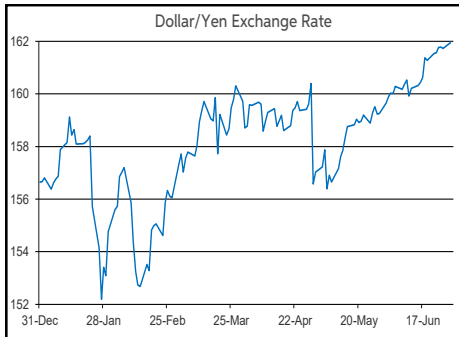
EUR/GBP	0.8609
EUR/USD	1.1392
EUR/JPY	184.87
EUR/SEK	11.0885
EUR/DKK	7.4743
EUR/NOK	11.3372
EUR/CHF	0.9221
EUR/AUD	1.6574
EUR/HKD	8.9342
EUR/CAD	1.6217

Sterling

GBP/EUR	1.1612
GBP/USD	1.3232
GBP/CAD	1.8833
GBP/NZD	2.3412
GBP/JPY	214.7
GBP/SEK	12.8786
GBP/DKK	8.6789
GBP/NOK	13.1745
GBP/CHF	1.0708
GBP/AUD	1.9247

Dollar

USD/JPY	162.26
USD/CAD	1.4234
USD/CHF	0.8092
USD/CNY	6.7871
USD/BRL	5.1733
USD/RUB	78
USD/INR	94.62
AUD/USD	0.6873
NZD/USD	0.5649



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.37	+0	-10	+22
Germany	2.86	+1	-15	-0
UK	4.72	-2	-18	+25
Ireland	3.04	+1	-12	+1
Belgium	3.43	+1	-11	+9
France	3.64	+1	+2	+8
Italy	3.60	+1	-16	+9
Spain	3.35	+1	-7	+6
Portugal	3.26	+1	-13	+10
Greece	3.53	-0	-15	+5
5 Year Swap %				
US	4.12	+1	-3	+39
Eurozone	2.74	+1	-11	+18
UK	4.27	-2	-19	+38
2 Year Swap %				
US	4.21	+1	+6	+63
Eurozone	2.73	+1	-9	+47
UK	4.23	-1	-21	+50
10 Year Government Bond Spreads to Benchmark bps				
Ireland	18	-0	+3	+1
Belgium	57	+0	+4	+9
France	78	-0	+17	+8
Italy	74	+0	-0	+9
Spain	49	-0	+8	+6
Portugal	40	-0	+3	+11
Greece	67	-1	-0	+6

Commodities				
	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	73.15	+1.61	-22.98	+20.21
West Texas Oil	71.87	+2.23	-25.10	+25.52
Gold \$	4016.0	-1.77	-10.42	-6.91

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