



ECB meeting minutes due today

There was a risk averse tone to investor sentiment yesterday, amid choppy trading conditions. Renewed concerns regarding the war in the Middle East, the fiscal situation in France, and some volatility in the sovereign bond market, weighed on overall sentiment. Against this backdrop, the Euro Stoxx 50 shed 1.5%, while the S&P 500 registered a more modest 0.2% loss.

Oil prices rose to circa \$103 per barrel, as the IEA clarified that members are still planning to withdraw 400m barrels of stocks, as outlined in March, and that the announcement to release 100m barrels last Friday was part of and not on top of this decision. Meantime on bond markets, initially yields moved higher across the board yesterday. As the day progressed though, sovereign benchmark yields moved off their peaks. Meanwhile, yield spreads in the Eurozone widened sharply by 5-12bps. Most notably, the 10-year French-German yield spread widened to circa 140bps.

In terms of FX markets, the dollar was in the ascendancy yesterday, supported by the weaker tone to risk appetite. The dollar was also helped by a hawkish tone in the latest Fed meeting minutes released yesterday. The greenback gained around 0.3% versus the euro and sterling. At the same time, other safe havens such as the yen and Swiss franc also strengthened.

As trading gets underway this morning, the firmer tone to the dollar is evidenced by EUR/USD opening back at the \$1.12 threshold. GBP/USD is operating just below the \$1.32 mark. EUR/GBP remains in the top half of the 84-85p band. USD/JPY is in the lower half of the ¥158-159 corridor.

Turning to the day ahead, the data release schedule is sparse on both sides of the Atlantic. On the monetary policy front, the ECB monetary policy meeting account from September will warrant some attention. Elsewhere remarks from a number of fed officials will also be in focus.

Daniel Noonan, Economist, AIB

Today's Opening FX Rates

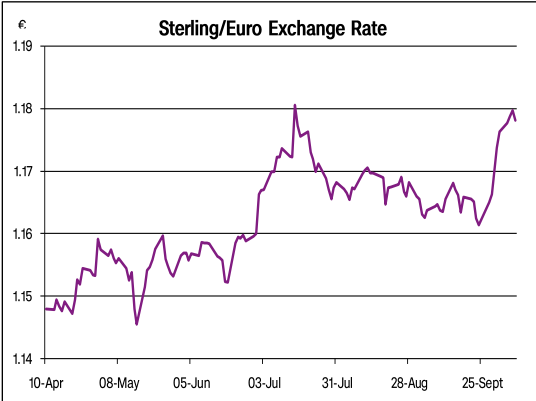
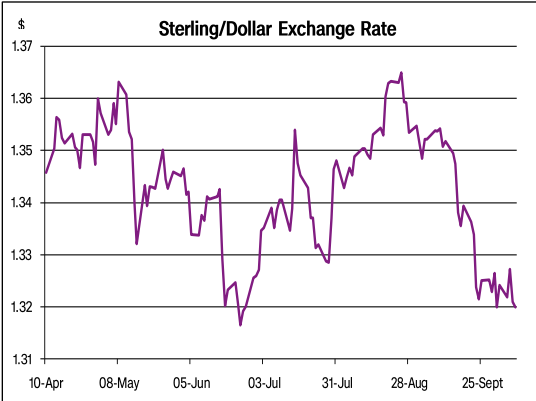
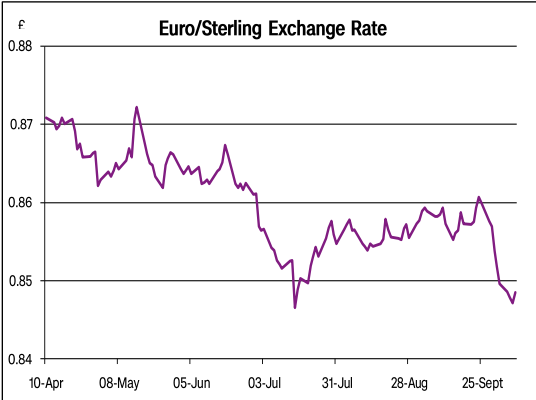
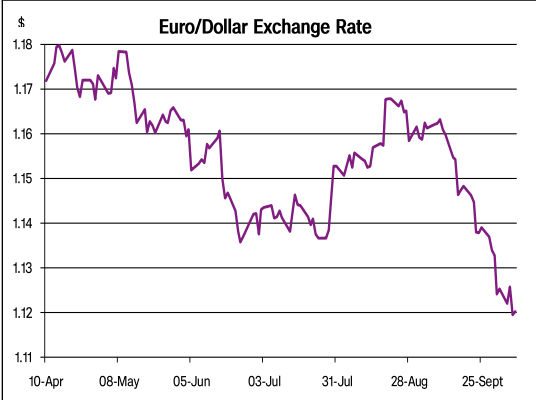
		% Change	
		Day *	End 2025
EUR/USD	1.1202	-0.27	-4.62
EUR/GBP	0.8485	+0.09	-2.64
GBP/USD	1.3197	-0.38	-2.05
GBP/EUR	1.1778	-0.09	2.71
USD/JPY	158.17	-0.15	0.97
EUR/JPY	177.18	-0.43	-3.70

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates

		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	3.88	3.92	4.03	4.46	4.93	5.06
EUR	2.50	2.42	2.60	3.22	3.41	3.50
GBP	3.75	3.76	3.92	4.44	4.90	5.01



Today's Opening Rates

Euro

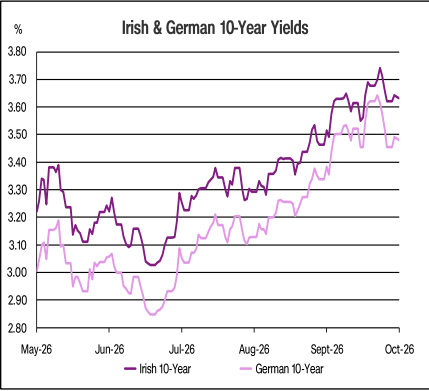
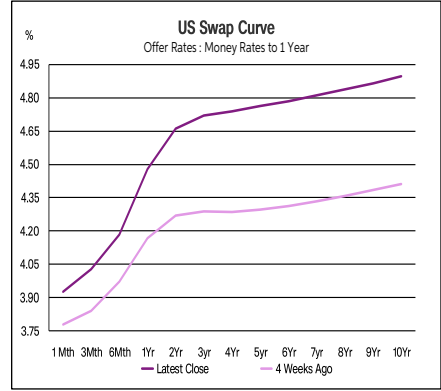
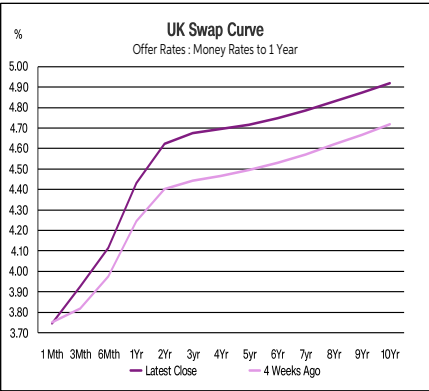
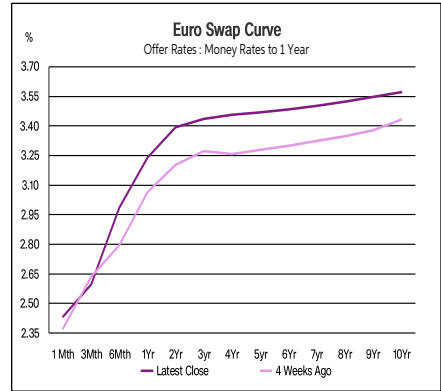
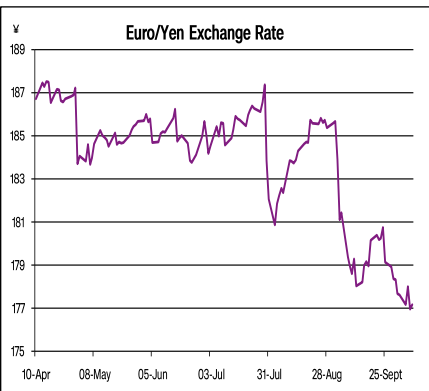
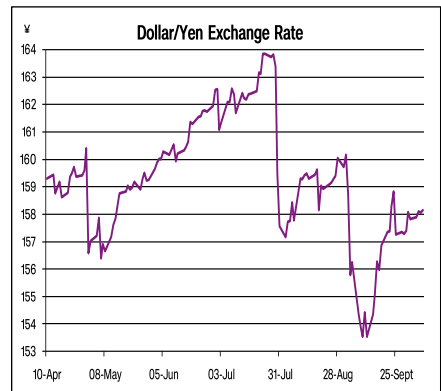
EUR/GBP	0.8485
EUR/USD	1.1201
EUR/JPY	177.18
EUR/SEK	11.2058
EUR/DKK	7.4743
EUR/NOK	10.72
EUR/CHF	0.9327
EUR/AUD	1.6109
EUR/HKD	8.7909
EUR/CAD	1.5968

Sterling

GBP/EUR	1.1779
GBP/USD	1.3199
GBP/CAD	1.8812
GBP/NZD	2.3569
GBP/JPY	208.77
GBP/SEK	13.202
GBP/DKK	8.8051
GBP/NOK	12.6297
GBP/CHF	1.099
GBP/AUD	1.8978

Dollar

USD/JPY	158.16
USD/CAD	1.4256
USD/CHF	0.8327
USD/CNY	6.7014
USD/BRL	5.0219
USD/RUB	85.6500
USD/INR	96.77
AUD/USD	0.6953
NZD/USD	0.5597



Debt Markets

		Change bps		
	Close	Day	4 Weeks	End 25
10 Year Yield %				
US	5.28	+1	+44	+112
Germany	3.48	-0	+4	+62
UK	5.45	+7	+18	+98
Ireland	3.64	+1	+6	+61
Belgium	4.35	+9	+32	+100
France	4.87	+12	+54	+131
Italy	4.64	+11	+36	+113
Spain	4.13	+6	+25	+84
Portugal	4.01	+6	+22	+85
Greece	4.52	+11	+42	+104

5 Year Swap %

US	5.01	+0	+40	+128
Eurozone	3.46	+0	+11	+90
UK	4.98	+3	+15	+108

2 Year Swap %

US	4.87	-4	+31	+129
Eurozone	3.36	-2	+7	+110
UK	4.87	+1	+15	+114

10 Year Government Bond Spreads to Benchmark bps

Ireland	16	+1	+2	-1
Belgium	87	+9	+9	+28
France	139	+12	+12	+49
Italy	116	+11	+11	+31
Spain	65	+6	+6	+21
Portugal	53	+6	+17	+23
Greece	104	+11	+38	+38

Commodities

	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	103.12	+2.53	+1.89	+69.47
West Texas Oil	95.02	-1.27	-2.30	+65.94
Gold \$	4110.5	-1.27	-6.59	-4.72

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