

Dollar remains on the front-foot

The cautious tone to investor sentiment persisted yesterday on both sides of the Atlantic. This was evidenced by the Euro Stoxx 50 edging 0.4% lower. On Wall Street, the S&P fell by 0.5%. Meantime, on bond markets, US Treasury and UK Gilt yields moved 3-9bps higher, amid a firming in interest rate futures. In contrast, German Bund yields rose by a more modest 1-2bps.

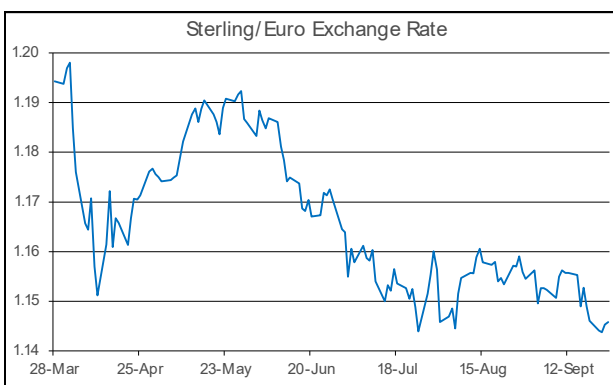
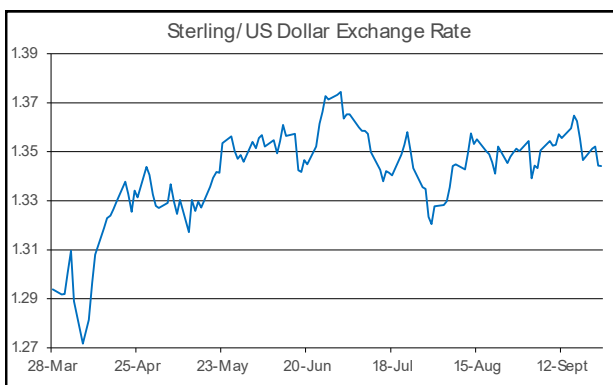
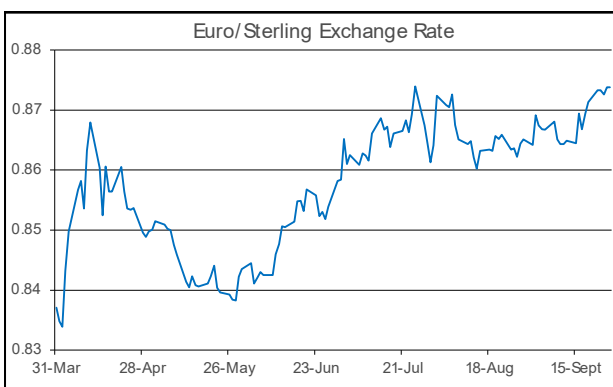
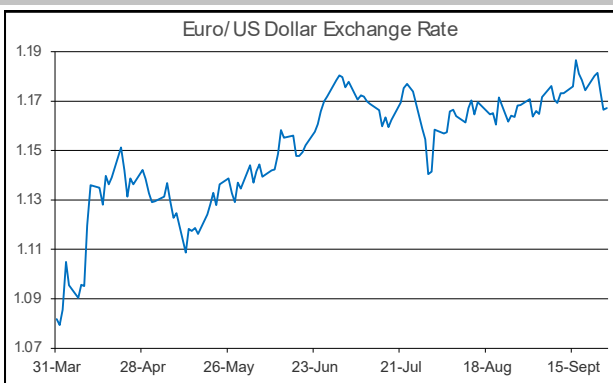
On the monetary policy front, a raft of Fed speakers were on the wires yesterday. Both Schmid and Goolsbee indicated that a gradual pace of easing would be appropriate. In contrast, Governor Miran argued once again for a faster pace of rate cuts, while Governor Bowman stated that the Fed is right to be focusing on the labour market side of its mandate.

Data-wise, a slew of US releases came in ahead of the consensus. GDP for Q2 was revised up to +3.8% annualised (from +3.3%) largely due to a sharper rise in consumption. Meanwhile, initial jobless claims fell to 218k (235k f'cast). Existing home sales were also stronger than anticipated, rising to 4m in August (vs. 3.95m f'cast). Thus, despite the aforementioned dovish rhetoric from some Fed officials, US futures contracts continued to harden yesterday, on the back of the solid data releases. This in-turn, spilled over to UK futures contracts and to a lesser extent, Eurozone futures contracts also.

In terms of FX markets, the dollar remained on the front-foot, supported by the risk averse sentiment and the firming in US rate expectations. This sees EUR/USD open today back below the \$1.17 threshold. GBP/USD is down near midpoint of \$1.33-1.34. EUR/GBP remains above the 87p mark.

Today, the main highlight will be US core-PCE inflation for August. It is forecast to stay at 2.9% in August. US personal consumption and income data will also be released.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1678	-0.62	12.80
EUR/GBP	0.8739	0.14	5.63
GBP/USD	1.3359	-0.76	6.78
GBP/EUR	1.1438	-0.14	-5.33
USD/JPY	149.79	0.81	-4.70
EUR/JPY	174.96	0.18	7.50

* 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	4.13	4.16	3.99	3.68	3.72	3.70
EUR	2.00	1.89	1.99	2.12	2.19	2.43
GBP	4.00	3.96	3.96	3.86	4.02	4.11

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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Opening Levels

Friday 26 September 2025
07:50 am



Euro

EUR/GBP	0.8739
EUR/USD	1.1678
EUR/JPY	174.96
EUR/SEK	11.0312
EUR/DKK	7.4638
EUR/NOK	11.7154
EUR/CHF	0.9329
EUR/AUD	1.7866
EUR/HKD	9.0844
EUR/CAD	1.628

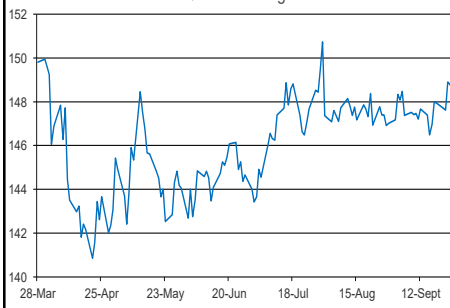
Sterling

GBP/EUR	1.1438
GBP/USD	1.3359
GBP/CAD	1.8622
GBP/NZD	2.3161
GBP/JPY	200.13
GBP/SEK	12.6189
GBP/DKK	8.5366
GBP/NOK	13.3936
GBP/CHF	1.0672
GBP/AUD	2.0437

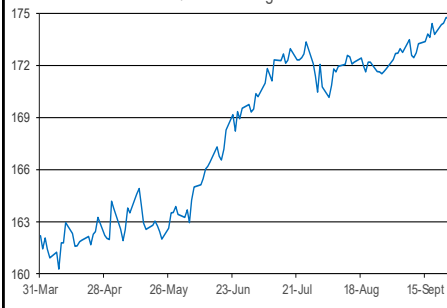
Dollar

USD/JPY	149.81
USD/CAD	1.3942
USD/CHF	0.7988
USD/CNY	7.1346
USD/BRL	5.3644
USD/RUB	83.7
USD/INR	88.715
AUD/USD	0.6534
NZD/USD	0.5764

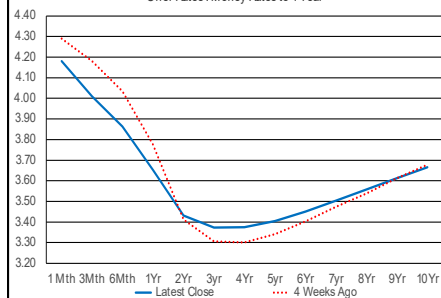
Dollar/Yen Exchange Rate



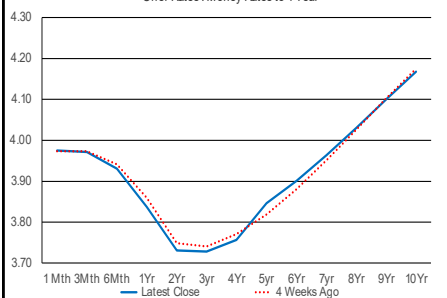
Euro/Yen Exchange Rate



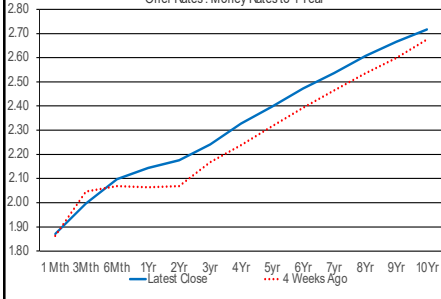
US Swap Curve
Offer Rates : Money Rates to 1 Year



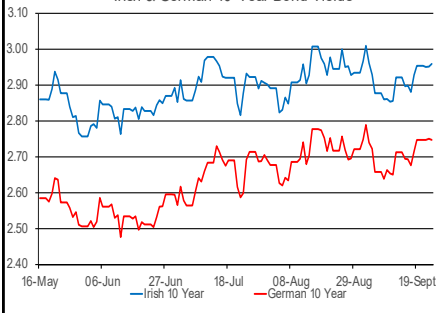
UK Swap Curve
Offer Rates : Money Rates to 1 Year



Eurozone Swap Curve
Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.17	+3	-3	-40
Germany	2.77	+2	+7	+41
UK	4.76	+9	+6	+19
Ireland	3.03	+3	+7	+38
Belgium	3.34	+4	+8	+36
France	3.61	+4	+13	+41
Italy	3.64	+5	+8	+12
Spain	3.34	+4	+5	+28
Portugal	3.21	+5	+6	+36
Greece	3.50	+4	+10	+25
5 Year Swap %				
US	3.68	+6	+10	-61
Eurozone	2.43	+4	+13	+19
UK	4.10	+6	+5	-18
2 Year Swap %				
US	3.68	+5	+3	-65
Eurozone	2.17	+4	+11	-2
UK	4.01	+4	+4	-48
10 Year Government Bond Spreads to Benchmark bps				
Ireland	26	+0	+0	-3
Belgium	57	+2	+1	-5
France	83	+1	+6	+0
Italy	87	+2	+0	-29
Spain	57	+2	-2	-13
Portugal	43	+2	-2	-5
Greece	73	+2	+2	-16

Commodities

	Close	Day	4 Weeks	End 24
% Change				
Brent Oil	69.31	+2.48	+1.85	-7.14
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3735.9	-0.74	+9.98	+42.39

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