Morning Comment

AIB Treasury Economic Research Unit

Friday 17 October 2025
07:52 am

Dollar remains under pressure

There was a mixed mood on markets yesterday. Throughout the European session, equity markets moved higher on both sides of the Atlantic. However, risk appetite soured over the course of the day, amid concerns regarding the health of regional banks balance sheets in the US. Against this backdrop, for a second consecutive day, European equities outperformed. The Euro Stoxx 50 rose by 0.8%, while on Wall Street, the S&P 500 declined by 0.6%.

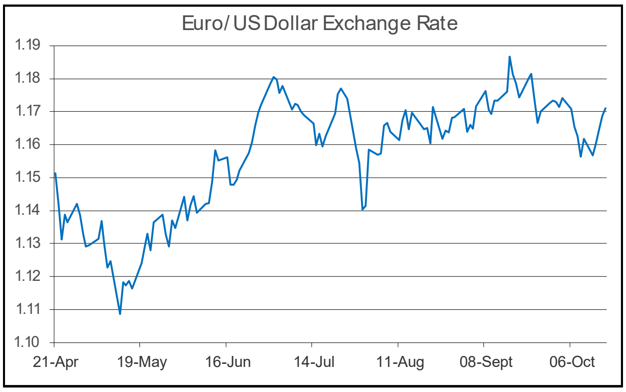
On bond markets, the spread between 10-year German and French yields held steady in the aftermath of PM Lecornu surviving two no confidence votes in Parliament. Meantime, US Treasury yields fell sharply on the back of concerns emerging in the regional banking sector. Yields are lower across the board this morning in Europe also.

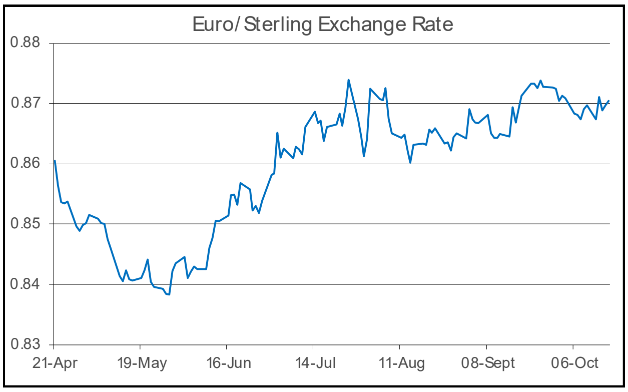
On the currency front, the main FX pairs changed hands in very tight ranges during yesterday's European session. Of the limited moves to note, the dollar was on the defensive. This coincided with some dovish remarks from Fed Governors Miran and Waller. Both indicated that they are in favour of cutting rates at the next meeting later this month, with the former stating that he would prefer a 50bps move. The dollar has weakened further overnight also, while the yen and euro have lead the way higher.

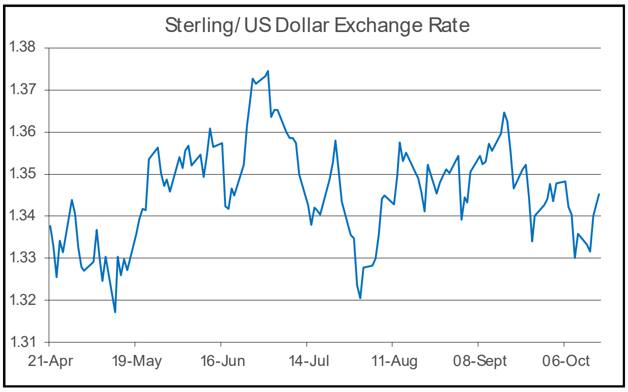
In level terms, the weaker tone to the dollar is evidenced by EUR/USD opening this morning above the $1.17 threshold. GBP/USD is up at the midpoint of the $1.34-1.35 trading range. EUR/GBP remains in and around the 87p mark. Elsewhere, USD/JPY is back below the ¥150 handle.

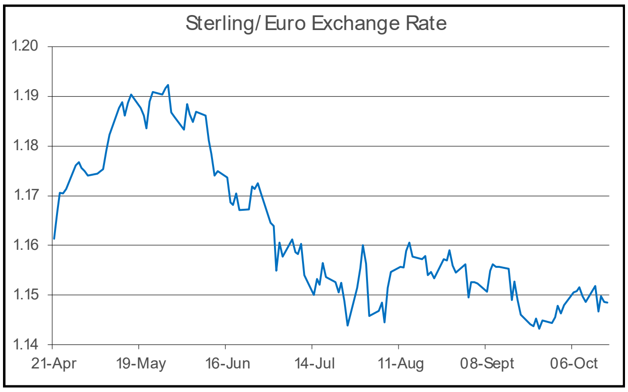
Turning to the day ahead, the macro calendar is sparse once again, largely owing to the ongoing Government shutdown in the US (which shows no sign of ending soon). Thus, developments regarding the health of US regional banks will be in focus.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/ USD	1.1711	0.48	13.12
EUR/ GBP	0.8703	0.18	5.20
GBP/ USD	1.3452	0.30	7.52
GBP/ EUR	1.1486	-0.18	-4.94
USD/ JPY	149.78	-0.83	-4.71
EUR/ JPY	175.41	-0.35	7.78

* 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	4.13	4.00	3.84	3.39	3.42	3.44
EUR	2.00	1.91	2.02	2.07	2.05	2.25
GBP	4.00	3.95	3.92	3.71	3.84	3.89

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

CONTACTS

AIB Customer Treasury Services
business.treasury@aib.ie
aib.corporatetreasury@aib.ie
aib.ie/fxcentre

Customer Treasury Services GB
treasury.gb@aib.ie
aibgb.co.uk/fxcentre

Customer Treasury Services NI
TreasuryNI@aib.ie
aibni.co.uk/fxcentre

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Opening Levels

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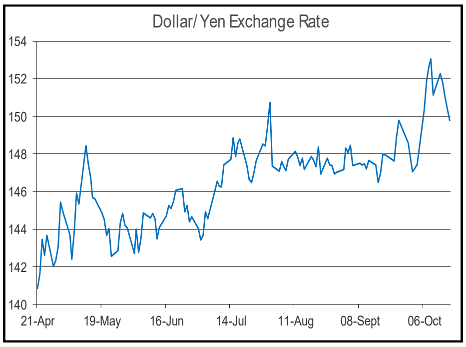
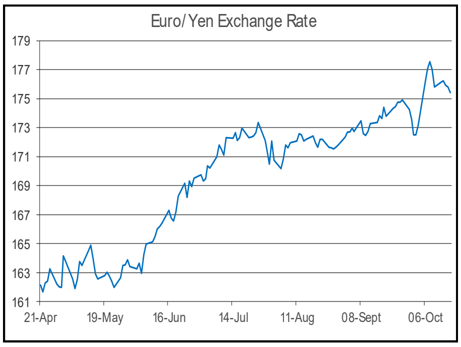
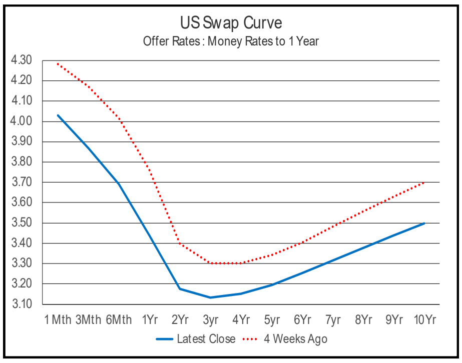
Euro		Sterling		Dollar	
EUR/ GBP	0.8703	GBP/ E	1.1486	USD/ JPY	149.78
EUR/ USD	1.1711	GBP/ U	1.3452	USD/ CAD	1.405
EUR/ JPY	175.41	GBP/ C	1.8898	USD/ CHF	0.7889
EUR/ SEK	11.0329	GBP/ N	2.3455	USD/ CNY	7.1234
EUR/ DKK	7.4692	GBP/ J	201.48	USD/ BRL	5.4413
EUR/ NOK	11.7908	GBP/ S	12.6683	USD/ RUB	80.5
EUR/ CHF	0.9239	GBP/ D	8.5783	USD/ INR	87.899
EUR/ AUD	1.8091	GBP/ N	13.5457		
EUR/ HKD	9.0982	GBP/ C	1.0612	AUD/ USD	0.6471
EUR/ CAD	1.6453	GBP/ A	2.0781	NZD/ USD	0.5732

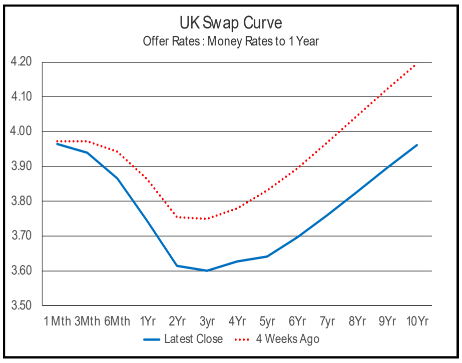


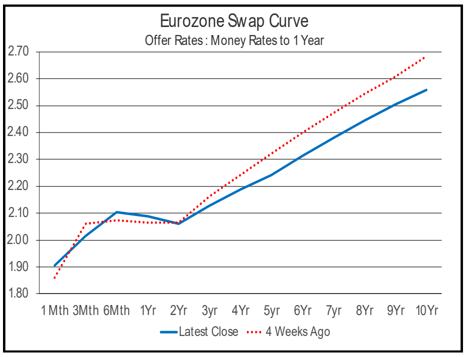


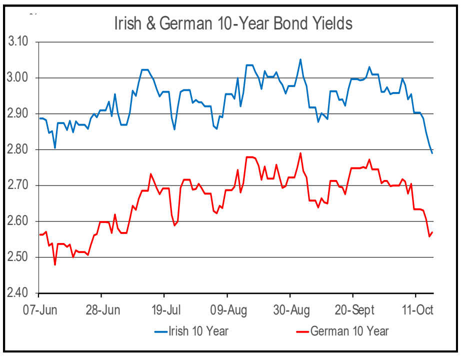
Debt Markets

	Close	Change bps Day	4 Weeks	End 24
10 Year Yield %				
US	3.98	-7	-13	-60
Germany	2.57	+1	-15	+21
UK	4.50	-4	-18	-7
Ireland	2.79	-2	-18	+14
Belgium	3.10	-1	-16	+12
France	3.33	-0	-21	+14
Italy	3.35	-2	-20	-17
Spain	3.09	-1	-20	+2
Portugal	2.95	+0	-18	+9
Greece	3.24	-0	-17	-1
5 Year Swap %				
US	3.46	-8	-8	-83
Eurozone	2.23	-4	-15	-1
UK	3.90	-6	-14	-39
2 Year Swap %				
US	3.46	-5	-11	-88
Eurozone	2.05	-2	-7	-14
UK	3.85	-4	-13	-64
10 Year Government Bond Spreads to Benchmark bps				
Ireland	22	-3	-3	-7
Belgium	54	-2	-2	-8
France	76	-1	-6	-7
Italy	79	-3	-5	-37
Spain	52	-2	-5	-19
Portugal	38	-1	-4	-11
Greece	67	-1	-2	-22









Commodities

	Close	% Change Day	4 Weeks	End 24
Brent Oil	61.06	-1.37	-9.46	-18.19
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	4325.3	+2.80	+18.70	+64.85

AIB, 10 Molesworth Street, Dublin 2 Tel: 353-1-6600311