

Morning Comment

AIB Treasury Economic Research Unit



Monday 11 August 2025
07:21 am

Important data due this week

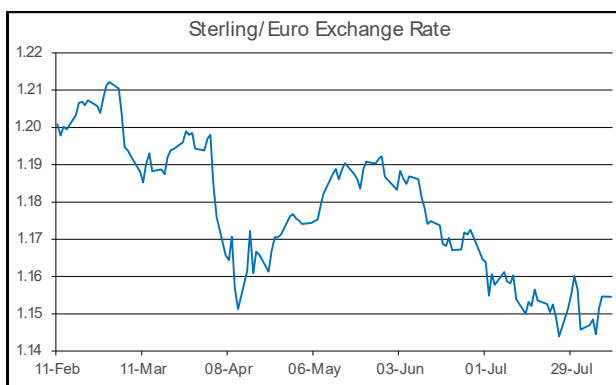
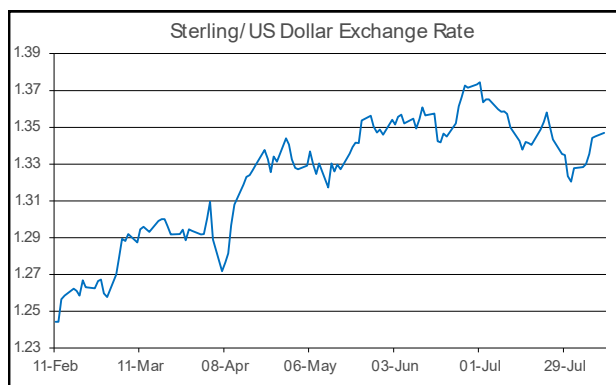
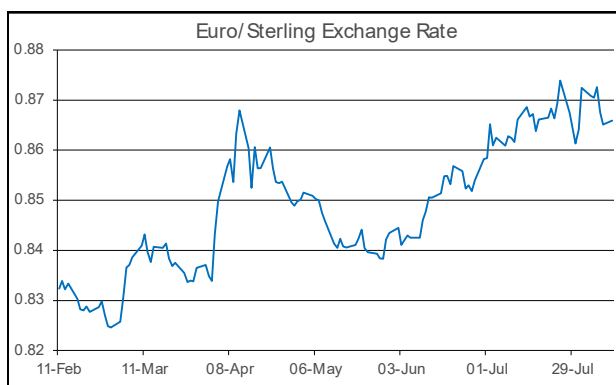
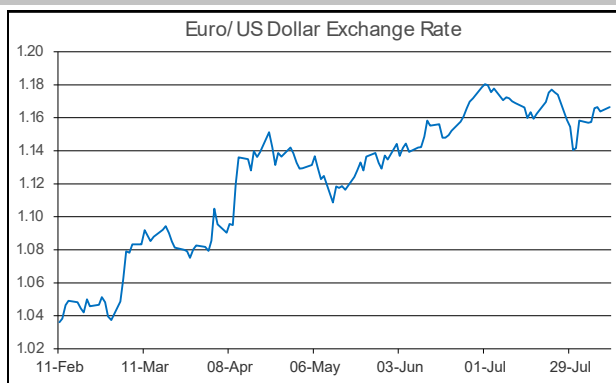
A feature of the action amongst the FX majors last week was the firmer tone to sterling in the aftermath of the BoE meeting. Despite cutting rates by 25bps to 4.00% (as expected), the pound made gains on the exchanges amid the less dovish BoE tone and the resulting modest firming in rate expectations. At the same time, the dollar remained on the defensive. Last week's US macro diary was quiet, but the main release of note (non-manu ISM) missed to the downside of expectations, keeping the greenback under pressure.

In level terms, all of the above was evident in GBP/USD trading up into the top half of \$1.34-1.35. The firmer sterling tone also meant the EUR/GBP pair was unable to maintain the 87p threshold. Meanwhile, EUR/USD was on a general uptrend, trading to a peak of \$1.1698, before settling near to the midpoint of \$1.16-1.17

This week contains some important data from both a dollar and sterling perspective. For the dollar, July CPI inflation will receive a lot of attention. Investors and the Fed will be looking to see if there are further signs of tariff related upward pressure on prices. This data will form an important input into the Fed's decision on whether to keep rates on hold or cut in September. Retail sales and industrial production (both July) are also notable US releases due this week.

For sterling, the first estimate of Q2 GDP is expected to confirm that the economy lost momentum in the quarter, after tariff related front loading boosted growth in Q1. The UK diary also features a raft of labour market updates for Q2 (unemployment, employment, wage growth) as well as payroll data for July. Year-to-date, the data have been indicating a softening in labour market conditions and this trend is likely to continue to be reflected in the latest numbers. From a euro perspective, the macro schedule over the coming days is sparse. Employment data for Q2 and the second estimate of GDP for the quarter are the only releases of note.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/ USD	1.1666	0.08	12.68
EUR/ GBP	0.8659	-0.17	4.67
GBP/ USD	1.347	0.28	7.67
GBP/ EUR	1.1544	0.17	-4.46
USD/ JPY	147.5	0.24	-6.16
EUR/ JPY	172.13	0.32	5.76
* 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	4.35	4.22	3.83	3.80	3.75
EUR	2.00	1.90	2.02	2.06	2.10	2.35
GBP	4.00	3.96	3.96	3.82	3.95	4.01

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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Euro

EUR/GBP	0.8658
EUR/USD	1.1667
EUR/JPY	172.13
EUR/SEK	11.1494
EUR/DKK	7.4638
EUR/NOK	11.9585
EUR/CHF	0.9409
EUR/AUD	1.7879
EUR/HKD	9.1587
EUR/CAD	1.6043

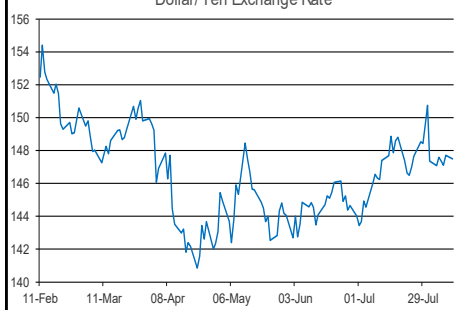
Sterling

GBP/EUR	1.1544
GBP/USD	1.347
GBP/CAD	1.8523
GBP/NZD	2.2618
GBP/JPY	198.68
GBP/SEK	12.8703
GBP/DKK	8.6157
GBP/NOK	13.8181
GBP/CHF	1.0867
GBP/AUD	2.0637

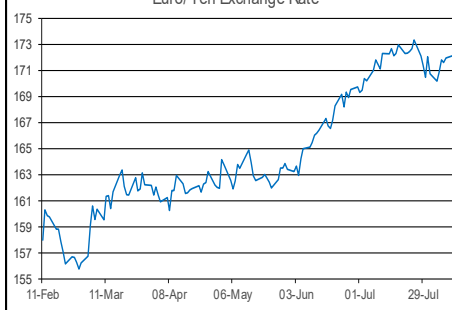
Dollar

USD/JPY	147.5
USD/CAD	1.3753
USD/CHF	0.8065
USD/CNY	7.1823
USD/BRL	5.4332
USD/RUB	79.8
USD/INR	87.5525
AUD/USD	0.6524
NZD/USD	0.5952

Dollar/Yen Exchange Rate

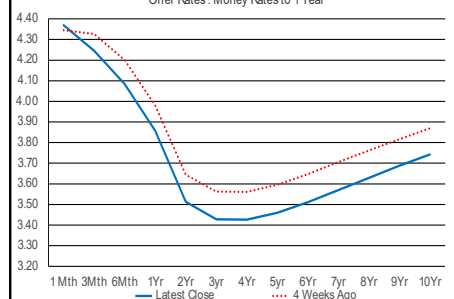


Euro/Yen Exchange Rate



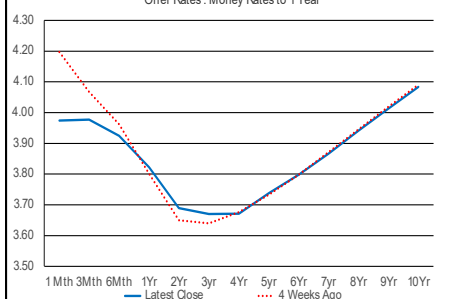
US Swap Curve

Offer Rates : Money Rates to 1 Year



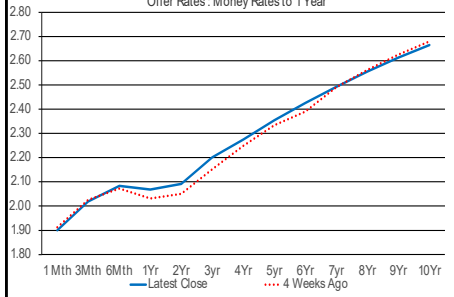
UK Swap Curve

Offer Rates : Money Rates to 1 Year

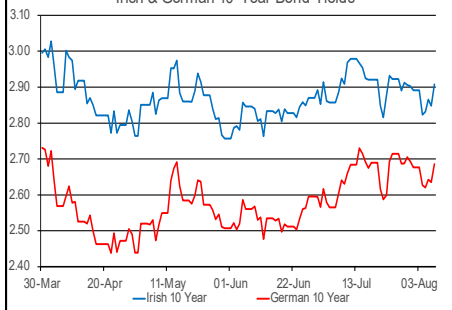


Eurozone Swap Curve

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	4.28	+4	-14	-29
Germany	2.69	+5	+0	+32
UK	4.61	+6	-3	+3
Ireland	2.95	+6	-7	+30
Belgium	3.20	+5	-7	+22
France	3.35	+5	-7	+15
Italy	3.51	+5	-10	-1
Spain	3.26	+5	-8	+19
Portugal	3.09	+4	-7	+24
Greece	3.37	+5	-5	+12
5 Year Swap %				
US	3.73	+3	-10	-56
Eurozone	2.32	+3	-1	+9
UK	3.96	+1	-2	-33
2 Year Swap %				
US	3.78	+4	-12	-56
Eurozone	2.07	+0	+2	-13
UK	3.91	+1	+3	-58
10 Year Government Bond Spreads to Benchmark bps				
Ireland	27	+1	-7	-2
Belgium	51	-0	-7	-11
France	66	-0	-7	-17
Italy	82	+0	-10	-34
Spain	57	+0	-8	-13
Portugal	40	-1	-8	-9
Greece	68	+0	-6	-21

Commodities

	Close	Day	4 Weeks	End 24
Brent Oil	66.59	+0.24	-5.36	-10.79
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3398.4	+0.04	+1.28	+29.52

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