Morning Comment

AIB Treasury Economic Research Unit

Thursday 16 October 2025
07:34 am

Dollar moves lower overnight

Equity markets moved had generally been moving higher on both sides of the Atlantic yesterday, due to some strong quarterly company earnings reports. This propelled the Euro Stoxx 50 higher by 1.0% on the day. However, heading into the close on Wall Street last night, the S&P 500 handed back some of its gains, as White House officials continued to criticise China's rare-earth policy, amid ongoing trade tensions. Overall, the index recorded a 0.4% gain.

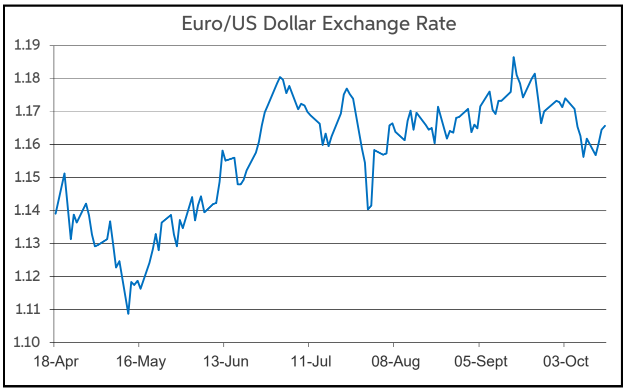
On bond markets, European sovereign yields fell by 3-7bps, while the spread between the German and French 10-year yield narrowed by a further 2bps to 78bps. In contrast, US Treasury yields inched 1-2bps higher yesterday.

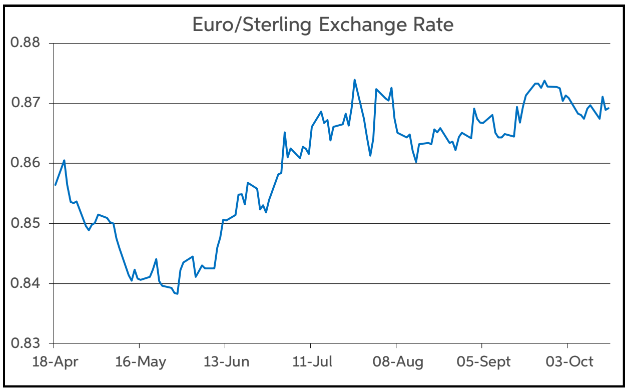
Against this backdrop, the main FX pairs operated in very narrow ranges throughout the European session yesterday. However, the dollar came under some downward pressure overnight, amid choppy trading conditions. The greenback shed around 0.3% against the euro and sterling. As trading gets underway today, EUR/USD opens above the midpoint of $1.16-1.17. GBP/USD is operating north of the $1.34 handle. Elsewhere, EUR/GBP is just below the 87p mark.

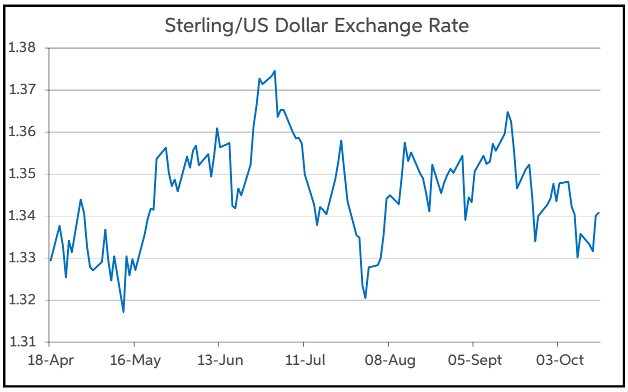
Already this morning, the monthly reading of UK GDP for August has been released. As expected, GDP rose by 0.1% in the month, but the July reading was revised down to -0.1% (from 0.0% previously). The release has had a negligible sterling reaction so far in early trading.

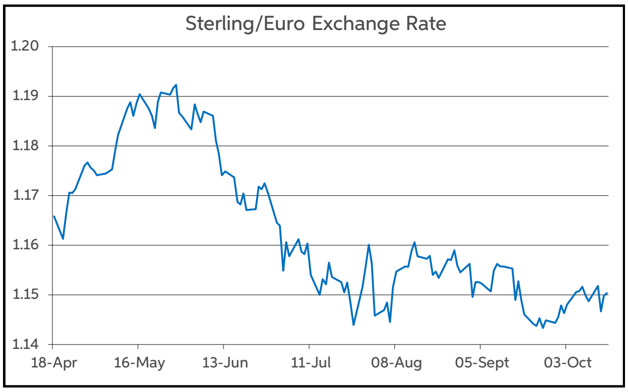
The remainder of today's macro calendar is quite sparse. Indeed, the only releases of note are second tier surveys from the US. However, investors will continue to keep a close eye on political developments in the US, Japan and France. Notably, French PM Lecornu faces two no-confidence votes today. He is expected to survive both motions with the support of the Republican and Socialist parties.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.1657	0.34	12.60
EUR/GBP	0.8692	-0.13	5.06
GBP/USD	1.3408	0.45	7.17
GBP/EUR	1.15	0.13	-4.82
USD/JPY	151.16	-0.05	-3.83
EUR/JPY	176.22	0.27	8.28

* 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	4.03	3.88	3.50	3.53	3.55
EUR	2.00	1.90	2.02	2.08	2.09	2.28
GBP	4.00	3.95	3.93	3.75	3.89	3.96

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

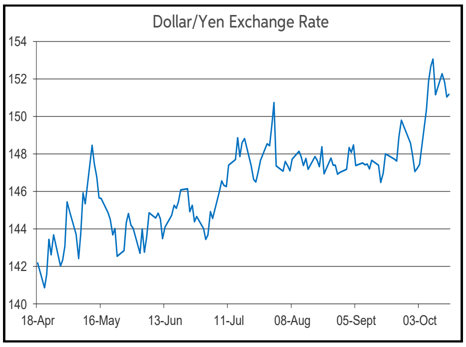
Customer Treasury Services NI
TreasuryNI@aib.ie
aibni.co.uk/fxcentre

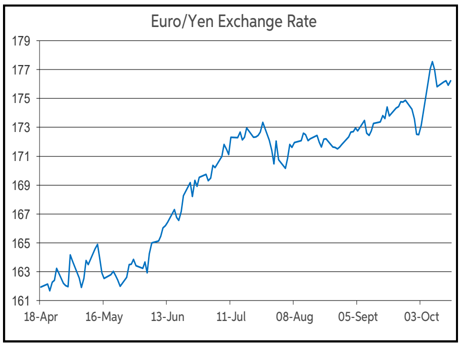
Opening Levels

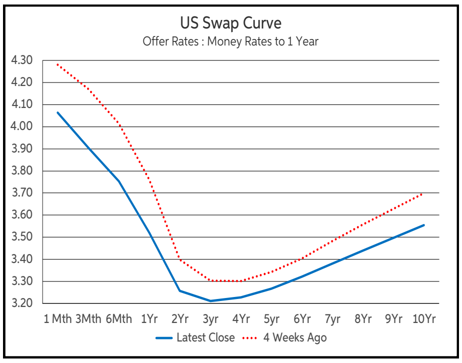
Thursday 16 October 2025
07:34 am

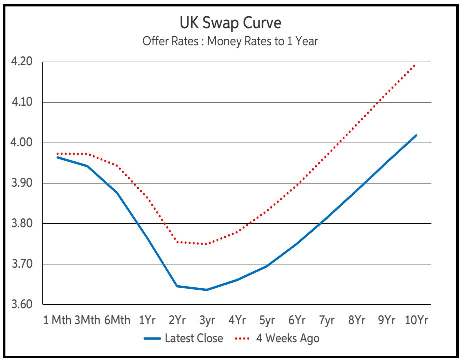
AIB

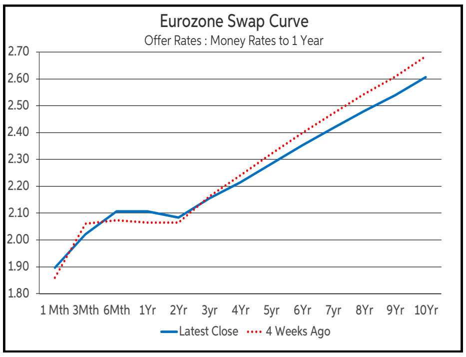
Euro		Sterling		Dollar	
EUR/GBP	0.8692	GBP/E	1.15	USD/JPY	151.16
EUR/USD	1.1657	GBP/L	1.3408	USD/CAD	1.4029
EUR/JPY	176.22	GBP/C	1.8805	USD/CHF	0.796
EUR/SEK	11.0287	GBP/N	2.333	USD/CNY	7.1248
EUR/DKK	7.4685	GBP/J	202.67	USD/BRL	5.4499
EUR/NOK	11.7565	GBP/S	12.6841	USD/RUB	78.25
EUR/CHF	0.9276	GBP/D	8.5885	USD/INR	87.8938
EUR/AUD	1.7925	GBP/N	13.5222		
EUR/HKD	9.0594	GBP/C	1.067	AUD/USD	0.6502
EUR/CAD	1.635	GBP/A	2.0611	NZD/USD	0.5744

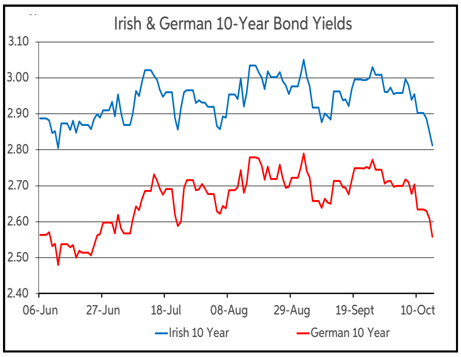












Debt Markets

	Close	Change bps Day	4 Weeks	End 24
10 Year Yield %				
US	4.05	+2	-3	-53
Germany	2.56	-5	-12	+19
UK	4.55	-4	-8	-3
Ireland	2.81	-3	-11	+16
Belgium	3.12	-3	-11	+13
France	3.34	-6	-15	+14
Italy	3.37	-5	-13	-15
Spain	3.09	-4	-14	+3
Portugal	2.94	-5	-16	+9
Greece	3.24	-5	-13	-1
5 Year Swap %				
US	3.54	+1	-1	-75
Eurozone	2.27	-2	-9	+3
UK	3.95	-1	-7	-33
2 Year Swap %				
US	3.50	-0	-7	-83
Eurozone	2.08	-1	-6	-11
UK	3.89	-1	-10	-60
10 Year Government Bond Spreads to Benchmark bps				
Ireland	25	+1	+1	-3
Belgium	56	+1	+1	-6
France	78	-1	-3	-5
Italy	81	+0	-1	-34
Spain	54	+1	-2	-17
Portugal	39	-0	-4	-10
Greece	68	-0	-1	-20

Commodities

	Close	% Change Day	4 Weeks	End 24
Brent Oil	61.91	-0.77	-8.89	-17.06
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	4207.5	+1.59	+14.97	+60.36

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