Morning Comment

AIB Treasury Economic Research Unit

Thursday 06 November 2025
07:47 am

BoE meeting in focus today

Investor sentiment improved slightly yesterday amid a relatively quiet day on financial markets. The benchmark equity indices moved marginally higher on both sides of the Atlantic, with the Euro Stoxx 50 eking out a 0.2% gain, while the S&P 500 rose by 0.4%.

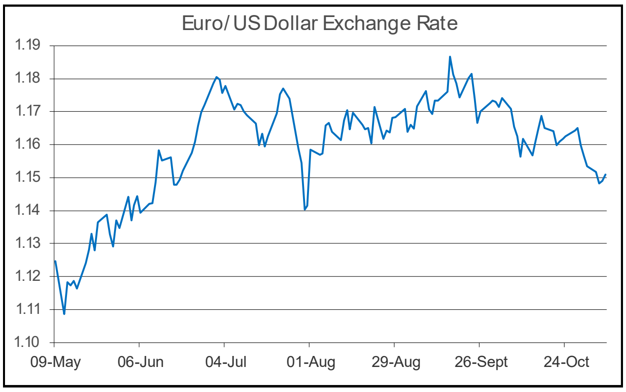
Meanwhile on bond markets, UK Gilt and US Treasury yields rose by 4-7bps along the curve. The moves coincided with a modest firming in interest rate futures for both regions. In contrast, German Bund yields were little changed yesterday.

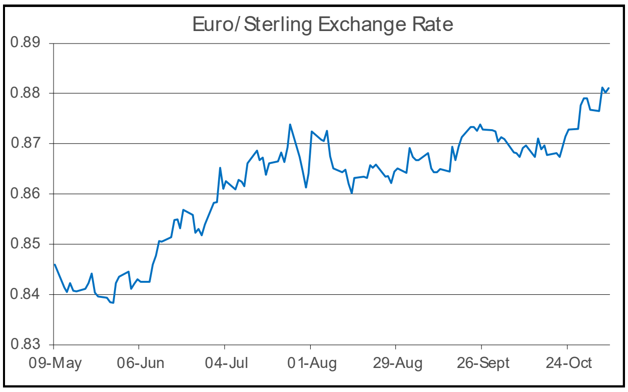
US market rate expectations firmed yesterday in the aftermath of the ADP employment report for October. Amid the lack of official labour market releases, the report was in the spotlight. It suggested the US economy created 42k jobs in the month (vs. 28k f'cast), a sharp improvement on the 29k fall in September. Meantime, the non-manufacturing ISM rose to 52.4 in October (vs. 50.8 f'cast).

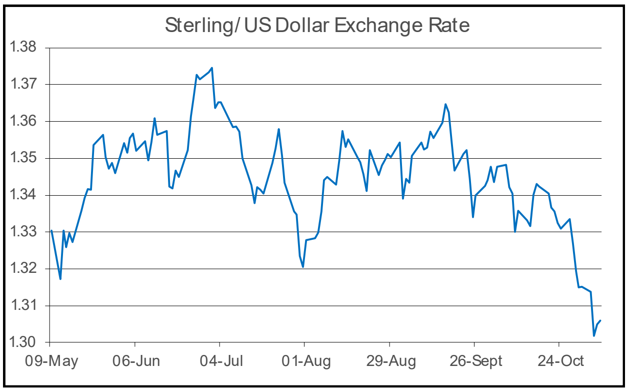
Currency-wise, the main FX pairs operated in very tight ranges. Of the limited price action to note, the euro was under some slight downward pressure, as both the dollar and sterling benefitted from the firming in market rate expectations. However, both currencies handed back their gains overnight.

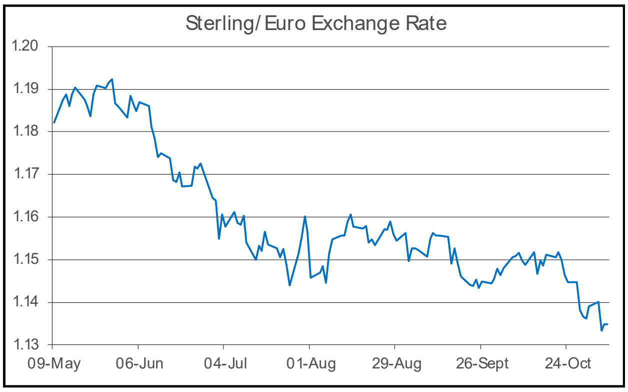
As trading gets underway this morning, EUR/GBP is changing hands just above the 88p mark. EUR/USD is operating north of the $1.15 threshold. GBP/USD is near the midpoint of $1.30-1.31.

Turning to the day ahead, the main focus will be on the BoE policy announcement. Expectations are for the BoE to leave rates unchanged. Meanwhile, the press conference and updated Monetary Policy Report will garner attention, as investors look for guidance on the potential for a rate cut in December. On the data front, Eurozone retail sales for September are due.
Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/ USD	1.1508	0.15	11.16
EUR/ GBP	0.8809	-0.15	6.48
GBP/ USD	1.3059	0.31	4.38
GBP/ EUR	1.1347	0.15	-6.08
USD/ JPY	153.87	0.23	-2.11
EUR/ JPY	177.08	0.37	8.80

* 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	3.96	3.86	3.62	3.70	3.72
EUR	2.00	1.88	2.01	2.12	2.16	2.39
GBP	4.00	3.90	3.86	3.65	3.81	3.90

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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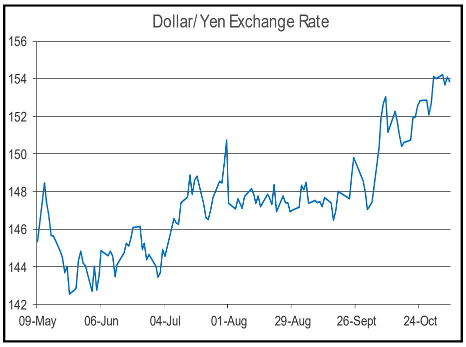
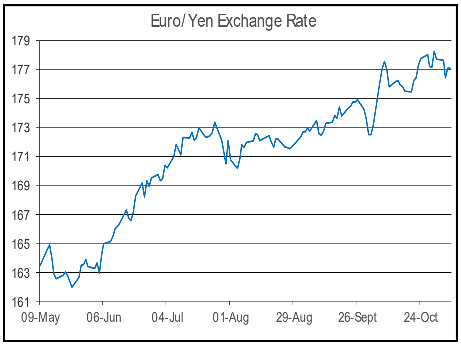
AIB

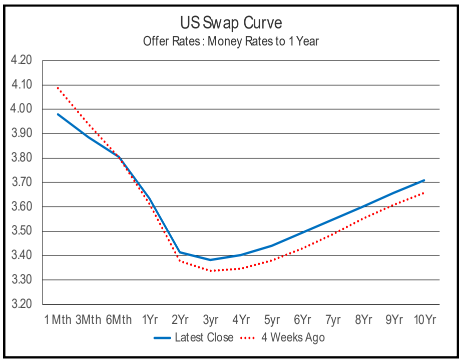
Euro	
EUR/ GBP	0.8809
EUR/ USD	1.1508
EUR/ JPY	177.08
EUR/ SEK	10.9747
EUR/ DKK	7.465
EUR/ NOK	11.7384
EUR/ CHF	0.9308
EUR/ AUD	1.7674
EUR/ HKD	8.9461
EUR/ CAD	1.622

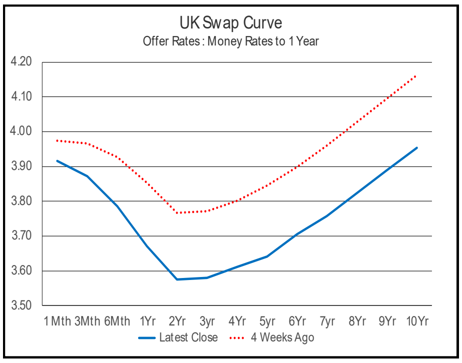
Sterling	
GBP/ EUR	1.1347
GBP/ USD	1.3059
GBP/ CAD	1.8408
GBP/ NZD	2.3078
GBP/ JPY	200.94
GBP/ SEK	12.456
GBP/ DKK	8.4703
GBP/ NOK	13.316
GBP/ CHF	1.0562
GBP/ AUD	2.0052

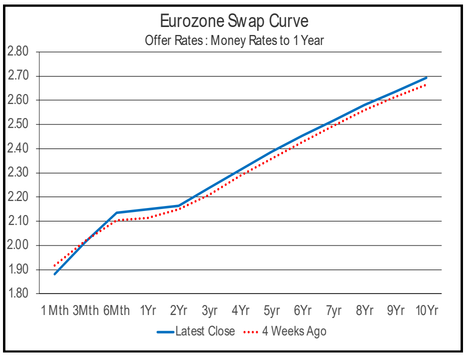
Dollar	
USD/ JPY	153.87
USD/ CAD	1.4098
USD/ CHF	0.8086
USD/ CNY	7.123
USD/ BRL	5.361
USD/ RUB	81.25
USD/ INR	88.596
AUD/ USD	0.6511
NZD/ USD	0.5656

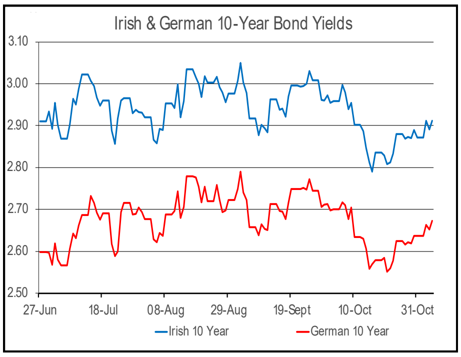












Debt Markets

	Close	Change bps Day	4 Weeks	End 24
10 Year Yield %				
US	4.16	+7	+3	-42
Germany	2.67	+2	-0	+31
UK	4.46	+4	-25	-11
Ireland	2.91	+2	-3	+26
Belgium	3.22	+3	-4	+24
France	3.46	+2	-5	+27
Italy	3.43	+2	-8	-10
Spain	3.18	+3	-3	+12
Portugal	3.03	+2	-5	+18
Greece	3.31	+2	-6	+6
5 Year Swap %				
US	3.71	+8	+8	-58
Eurozone	2.36	+1	+0	+12
UK	3.90	+4	-18	-39
2 Year Swap %				
US	3.68	+6	+6	-65
Eurozone	2.14	+0	+3	-5
UK	3.81	+4	-19	-67
10 Year Government Bond Spreads to Benchmark bps				
Ireland	24	+0	-2	-5
Belgium	55	+1	-3	-7
France	79	+0	-5	-4
Italy	75	+0	-7	-40
Spain	51	+1	-3	-19
Portugal	36	+0	-4	-13
Greece	64	+0	-6	-24

Commodities

	Close	% Change Day	4 Weeks	End 24
Brent Oil	63.52	-1.43	-4.12	-14.90
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	3982.4	+1.29	-1.37	+51.78

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