Morning Comment

AIB Treasury Economic Research Unit

Wednesday 26 November 2025
07:55 am

UK Budget in focus today

The more positive mood on markets persisted yesterday. The Euro Stoxx 50 rose by 0.8%. Meantime, the S&P 500 rallied late on to register a solid 0.9% gain, despite some weak US consumer/labour market data weighing on sentiment early on. On bond markets, benchmark sovereign yields declined by 1-3bps across the board.

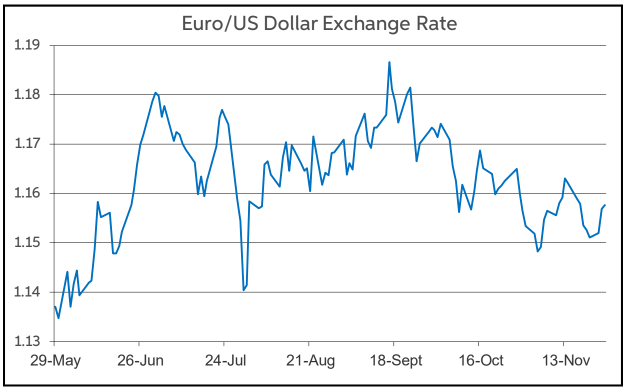
US retail sales rose by just 0.2% in September (vs. +0.4% f'cast), while the control group measure of sales (a key core sales metric), unexpectedly contracted by 0.1% in the month. At the same time, the Conference Board survey of US consumer confidence deteriorated to 88.7 in November (vs. 93.3 f'cast). The index is now at its lowest level since April. Meanwhile, the new ADP Pulse Survey - which has garnered increasing levels of attention recently due to the lack of official labour market data - indicated that the US economy shed 13.5k private jobs on average per week up to the start of November.

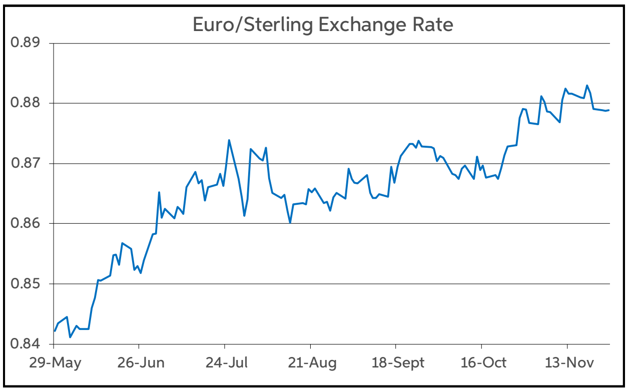
Currency-wise, the dollar was under some downward pressure following the release of the data. The greenback fell by around 0.5% against the euro and sterling. Elsewhere, there was a slightly firmer tone to sterling yesterday, albeit the pound handed back most of its gains overnight.

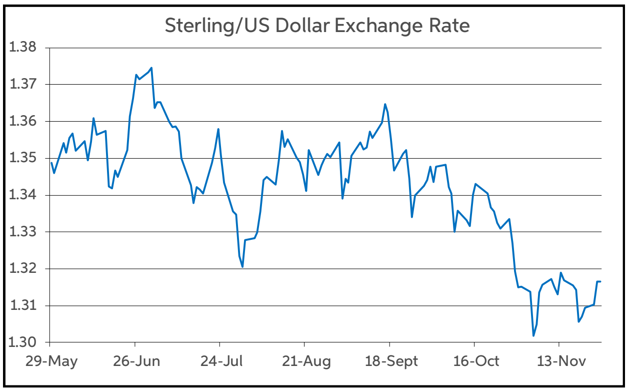
In level terms, this sees EUR/USD open this morning up in the top half of the $1.15-1.16 range. GBP/USD is operating in the upper regions of the $1.31-1.32 band. USD/JPY is below the midpoint of ¥156-157. EUR/GBP is changing hands just below the 88p mark.

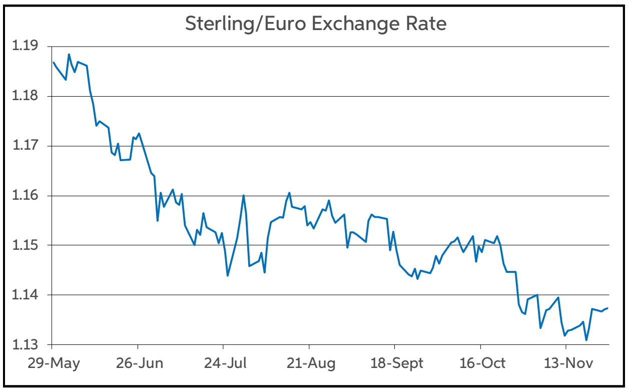
Today, the main focus will be on the UK Budget. Expectations are that the Chancellor will opt to make a number of minor tax rises to boost the fiscal headroom for next year. However, income tax increases are no longer anticipated. The OBR forecasts on the fiscal/ economic outlook will also garner close attention. The Budget poses some event risk for sterling.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.1575	0.51	11.80
EUR/GBP	0.879	0.02	6.25
GBP/USD	1.3163	0.48	5.21
GBP/EUR	1.1371	-0.02	-5.88
USD/JPY	156.42	-0.20	-0.48
EUR/JPY	181.06	0.30	11.25

* 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	3.87	3.78	3.49	3.53	3.55
EUR	2.00	1.91	2.06	2.13	2.17	2.41
GBP	4.00	3.89	3.80	3.60	3.78	3.90

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

Opening Levels

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AIB

Euro

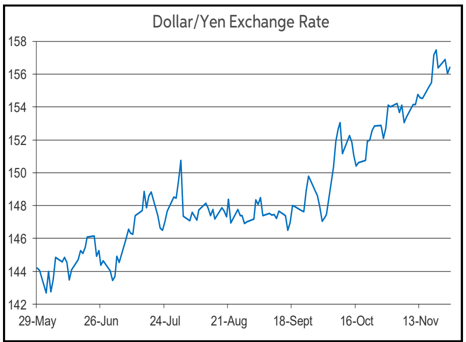
EUR/GBP	0.879
EUR/USD	1.1575
EUR/JPY	181.06
EUR/SEK	11.0279
EUR/DKK	7.4683
EUR/NOK	11.8305
EUR/CHF	0.9327
EUR/AUD	1.782
EUR/HKD	9.0021
EUR/CAD	1.6291

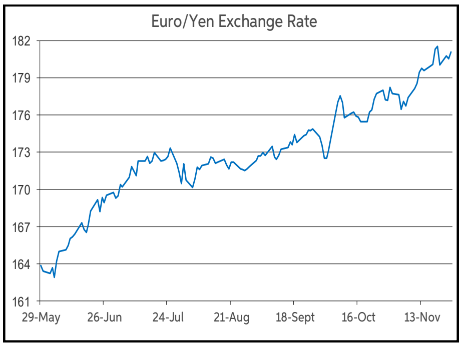
Sterling

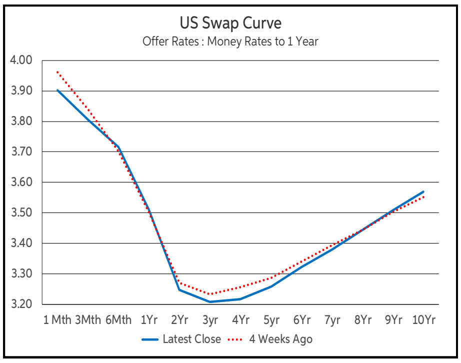
GBP/EUR	1.1371
GBP/USD	1.3163
GBP/CAD	1.8524
GBP/NZD	2.3195
GBP/JPY	205.91
GBP/SEK	12.5422
GBP/DKK	8.4944
GBP/NOK	13.4563
GBP/CHF	1.0606
GBP/AUD	2.026

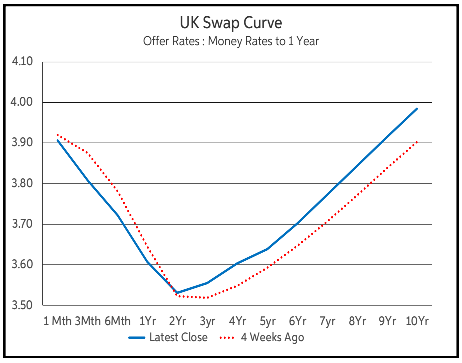
Dollar

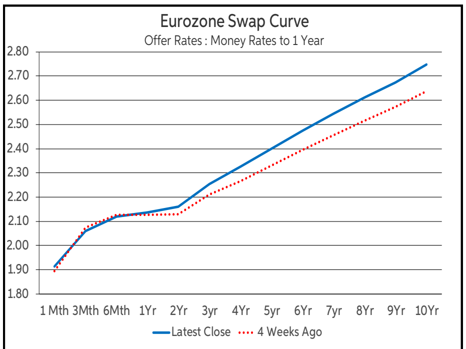
USD/JPY	156.42
USD/CAD	1.4072
USD/CHF	0.8057
USD/CNY	7.0808
USD/BRL	5.3825
USD/RUB	78.75
USD/INR	89.265
AUD/USD	0.6494
NZD/USD	0.5673

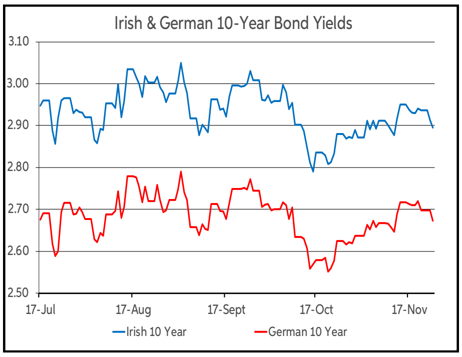












Debt Markets

	Close	Change bps Day	4 Weeks	End 24
10 Year Yield %				
US	4.00	-3	+2	-58
Germany	2.67	-2	+5	+31
UK	4.50	-4	+9	-8
Ireland	2.90	-2	+2	+25
Belgium	3.19	-3	+1	+20
France	3.41	-4	-1	+22
Italy	3.40	-4	+0	-12
Spain	3.17	-3	+2	+10
Portugal	3.01	-4	+0	+16
Greece	3.29	-4	+0	+4
5 Year Swap %				
US	3.52	-2	-1	-77
Eurozone	2.38	-1	+6	+15
UK	3.89	-4	+5	-39
2 Year Swap %				
US	3.52	-2	+0	-82
Eurozone	2.15	-0	+3	-4
UK	3.77	-3	+0	-72
10 Year Government Bond Spreads to Benchmark bps				
Ireland	22	+1	-3	-6
Belgium	51	-1	-4	-10
France	74	-1	-6	-9
Italy	73	-1	-5	-43
Spain	49	-1	-3	-21
Portugal	34	-1	-5	-15
Greece	62	-1	-5	-27

Commodities

	Close	% Change Day	4 Weeks	End 24
Brent Oil	62.48	-1.40	-2.98	-16.29
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	4130.0	-0.22	+4.51	+57.40

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