Wednesday 11 November 2026
07:59 am

Morning Comment

AIB Treasury Economic Research Unit

Dollar firmer post US CPI

There was a mixed mood across financial markets yesterday. On the one hand, an initial fall in oil prices following signs of potential de-escalation in the war in Iran supported risk appetite. On the other hand though, a sharp firming in interest rate expectations and ongoing concerns regarding the AI-sector weighed on investor sentiment. Against this backdrop, the Euro Stoxx 50 gained 0.6%, but on Wall Street, the S&P 500 declined by 0.4%.

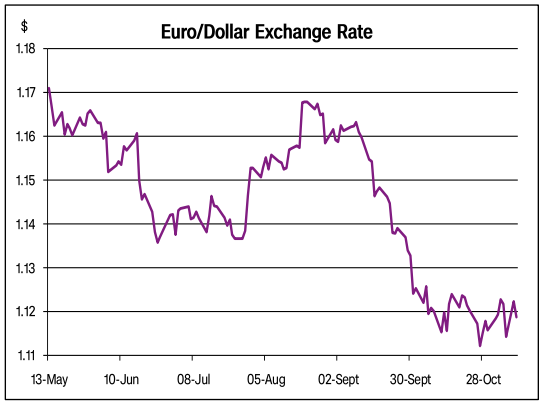
The firming in rate expectations followed a hotter than anticipated US CPI report for October, albeit the BLS could not provide an inflation reading because of last year's Government shutdown. The data showed that prices rose by 0.4% in the month (vs. 0.3% f'cast). Furthermore, the core-CPI index rose by 0.3% (vs. 0.2% f'cast). Speaking before the release, Fed Governor Waller stated that "a 50bps hike in the policy rate should be considered" in December if the core rate increased by 0.3% or more.

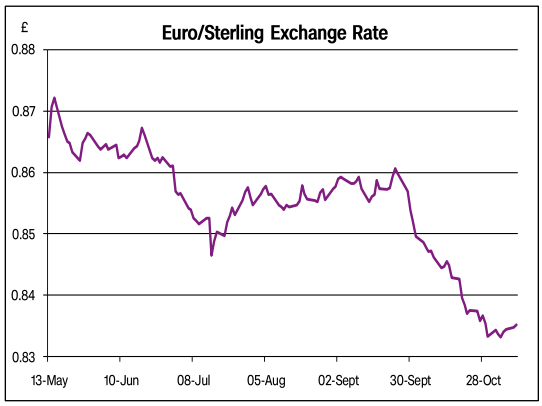
In the aftermath of Waller's remarks and the CPI report, the market is now fully pricing in a 25bps Fed rate hike in December, and current pricing is consistent with circa 75bps of tightening by the end of Q3'27. Meantime, UK rate expectations also firmed somewhat, following hawkish remarks from BoE Deputy Governor Lombardelli, who refused to rule out back to back rate hikes. The market now sees a 65% chance of a UK rate hike in December. ECB rate expectations also firmed, albeit to a lesser extent than elsewhere.

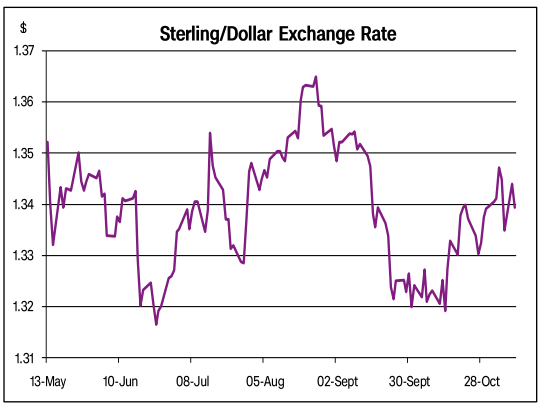
On the currency front, the dollar started the day under some modest downward pressure, but gained the ascendancy following the release of the aforementioned CPI data. In level terms, this sees EUR/USD open today back at the midpoint of $1.11-1.12. GBP/USD is operating down in the bottom half of $1.33-1.34. EUR/GBP is changing hands in the top half of the 83-84p corridor.

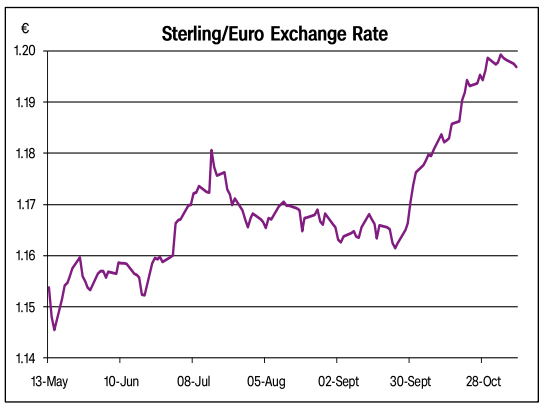
Turning to the day ahead, the macro data calendar is sparse. Against this backdrop, developments in the Middle East and AI will remain in focus.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1155	-0.60	-5.02
EUR/GBP	0.8365	+0.22	-4.02
GBP/USD	1.3332	-0.84	-1.05
GBP/EUR	1.195	-0.22	4.18
USD/JPY	158.84	+0.49	1.40
EUR/JPY	177.21	-0.12	-3.68

* 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	3.93	4.15	4.55	4.87	4.81
EUR	2.50	2.48	2.77	3.25	3.36	3.36
GBP	4.00	3.99	4.11	4.59	4.94	4.90

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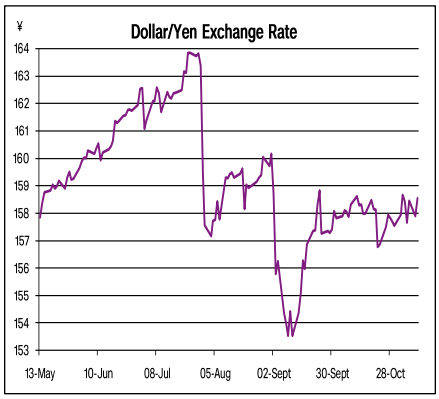
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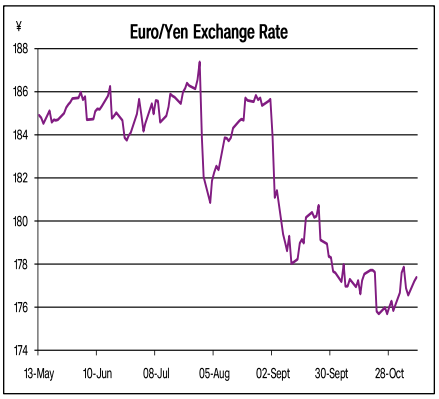
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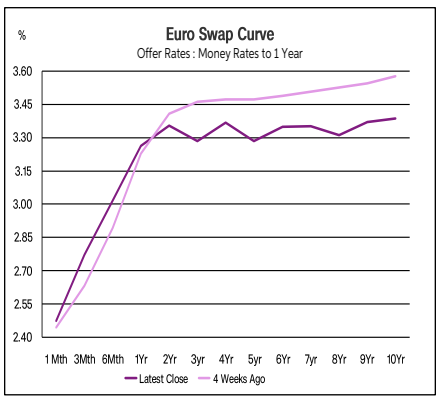
Opening Levels

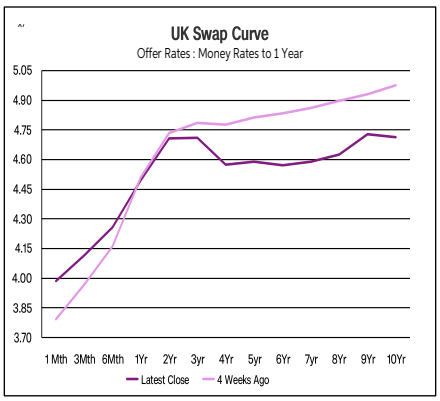
Today's Opening Rates

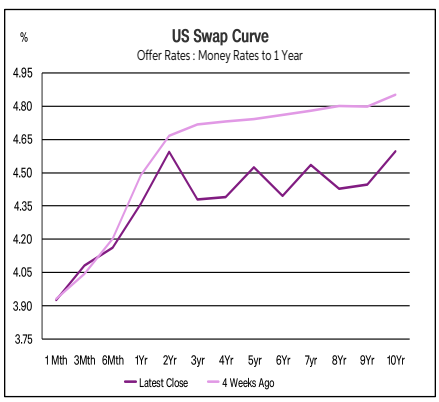
Euro		Sterling		Dollar	
EUR/GBP	0.8366	GBP/EUR	1.1952	USD/JPY	158.83
EUR/USD	1.1156	GBP/USD	1.3333	USD/CAD	1.4208
EUR/JPY	177.22	GBP/CAD	1.8941	USD/CHF	0.8271
EUR/SEK	11.0268	GBP/NZD	2.3803	USD/CNY	6.6697
EUR/DKK	7.4752	GBP/JPY	211.75	USD/BRL	5.5833
EUR/NOK	10.6133	GBP/SEK	13.1774	USD/RUB	82.7934
EUR/CHF	0.9229	GBP/DKK	8.9323	USD/INR	93.685
EUR/AUD	1.6231	GBP/NOK	12.6791		
EUR/HKD	8.7537	GBP/CHF	1.1029	AUD/USD	0.6873
EUR/CAD	1.585	GBP/AUD	1.9395	NZD/USD	0.5599

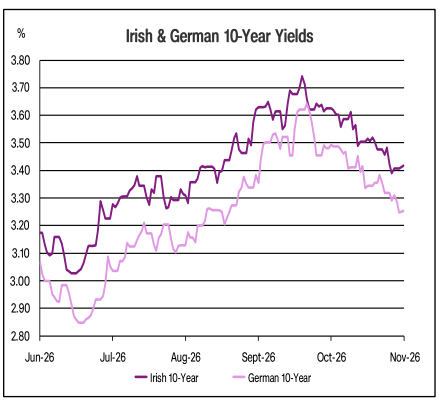












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.98	+12	-23	+83
Germany	3.31	+4	-15	+44
UK	5.23	+10	-22	+75
Ireland	3.47	+5	-13	+44
Belgium	4.27	+5	-6	+92
France	4.80	+7	-5	+124
Italy	4.38	+7	-17	+87
Spain	3.89	+7	-19	+60
Portugal	3.75	+6	-19	+59
Greece	4.12	+3	-24	+64
5 Year Swap %				
US	4.79	+14	-19	+106
Eurozone	3.34	+8	-13	+78
UK	4.81	+1	-21	+92
2 Year Swap %				
US	4.85	+18	-6	+128
Eurozone	3.35	+8	-5	+109
UK	4.85	+3	-9	+112
10 Year Government Bond Spreads to Benchmark bps				
Ireland	16	+1	+2	-0
Belgium	96	+1	+1	+9
France	149	+2	+2	+11
Italy	107	+3	+3	-2
Spain	58	+3	+3	-4
Portugal	45	+2	-3	+15
Greece	82	-1	-8	-8

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	91.49	-1.17	-13.44	+50.35
West Texas Oil	89.62	+1.44	-6.05	+56.51
Gold $	4030.9	-2.61	-3.03	-6.56

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