Monday 02 November 2026
07:18 am

Morning Comment

AIB Treasury Economic Research Unit

Monetary policy, macro data and politics ahead this week

From a currency perspective, October produced some notable moves amongst the majors. One standout feature was euro weakness. This occurred against the backdrop of elevated political and fiscal uncertainty in the region, especially in France. The weaker euro tone was evident in the single currency registering new YTD lows during the month against the dollar and sterling.

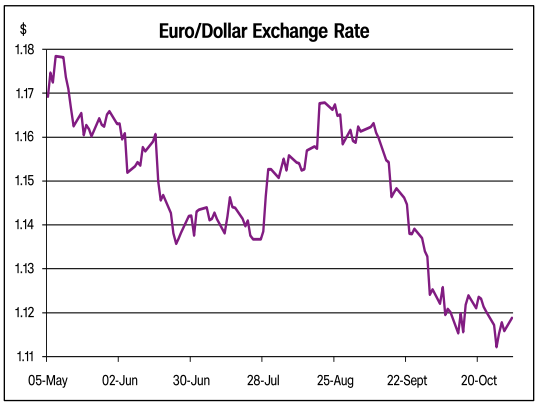
In level terms, the EUR/USD pair fell to a trough of $1.1106, while EUR/GBP posted a low of 83.23p. Meanwhile, sterling benefitted in part from the fiscal spotlight being elsewhere, as well as from the UK Chancellor delivering an uneventful Budget. After falling below the $1.32 threshold mid-month, the GBP/USD pair recovered ground during the second half of October, trading to a high of $1.343.

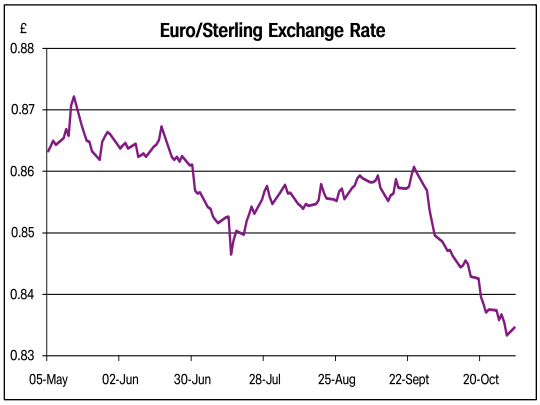
Looking ahead to this week, following the recent ECB, Fed and BoJ meetings, it's the turn of the BoE to take centre stage. While last week's Budget was rather dull, this week's BoE meeting should be more significant and could therefore generate some event risk for sterling. The BoE is expected to hike the Bank Rate by 25bps to 4.00%. The meeting statement, Monetary Policy Report and Governor Bailey's press conference will be scrutinised for insight into the appetite within the BoE for additional rate hikes in 2027.

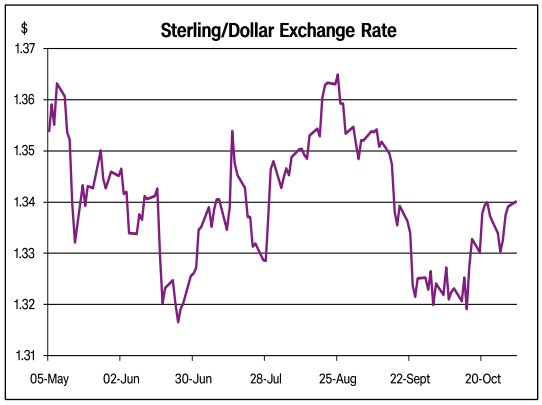
For the dollar, we get the key monthly update on the US labour market for October, which includes the closely followed non-farm payrolls number as well as unemployment and earnings metrics. The midterm elections on Tuesday will also provide the market with plenty of political news to digest.

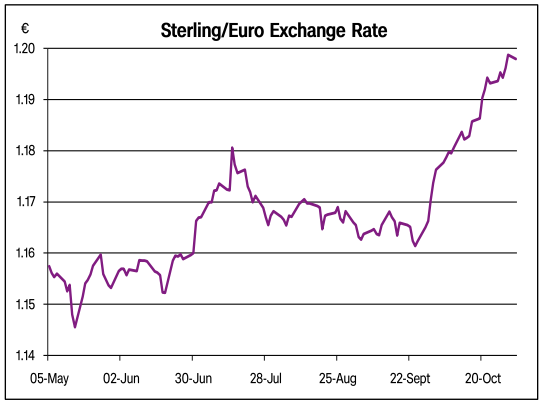
From a euro perspective, the main highlight from this week's macro diary will be the flash reading of Eurozone HICP inflation for October. The focus will be on the core rate for any signs that higher energy prices are feeding into broader price pressures.

John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1188	+0.04	-4.74
EUR/GBP	0.8346	-0.07	-4.23
GBP/USD	1.3401	+0.08	-0.53
GBP/EUR	1.1978	+0.07	4.42
USD/JPY	157.83	+0.13	0.75
EUR/JPY	176.61	+0.18	-4.01

* 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	3.90	4.03	4.37	4.73	4.71
EUR	2.50	2.43	2.68	3.23	3.38	3.40
GBP	3.75	3.93	4.03	4.53	4.91	4.95

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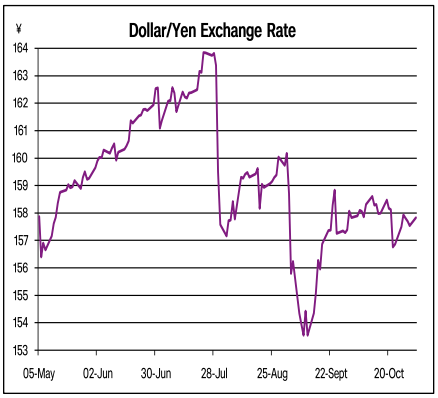
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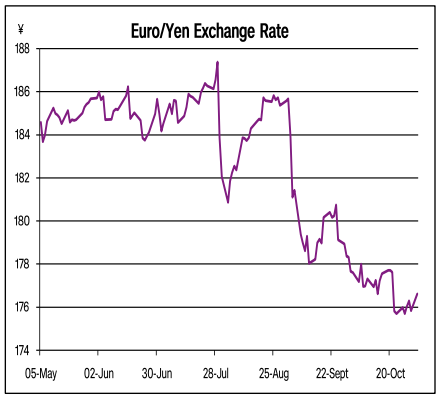
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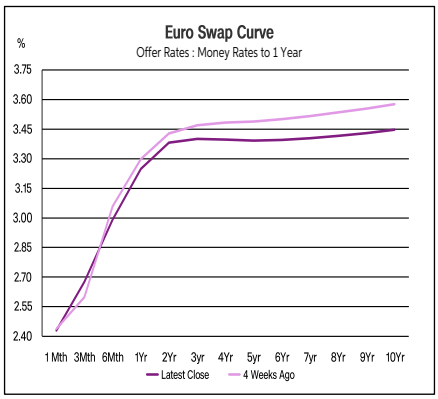
Opening Levels

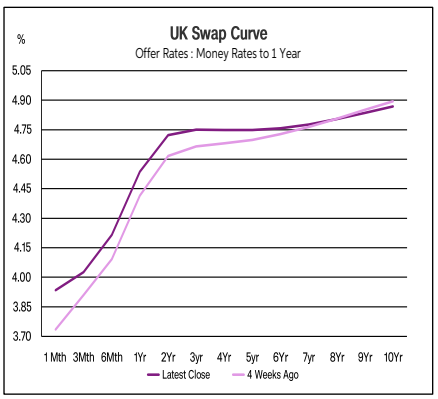
Today's Opening Rates

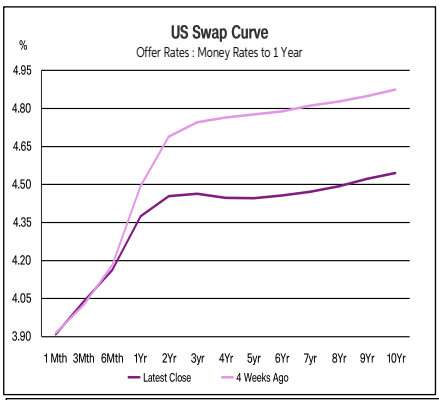
Euro		Sterling		Dollar	
EUR/GBP	0.8346	GBP/EUR	1.1978	USD/JPY	157.83
EUR/USD	1.1188	GBP/USD	1.3401	USD/CAD	1.3982
EUR/JPY	176.61	GBP/CAD	1.8737	USD/CHF	0.8229
EUR/SEK	10.9651	GBP/NZD	2.3853	USD/CNY	6.6459
EUR/DKK	7.4739	GBP/JPY	211.51	USD/BRL	5.4392
EUR/NOK	10.3148	GBP/SEK	13.1337	USD/RUB	80.6122
EUR/CHF	0.9208	GBP/DKK	8.953	USD/INR	94.8325
EUR/AUD	1.5932	GBP/NOK	12.3554		
EUR/HKD	8.7783	GBP/CHF	1.1029	AUD/USD	0.7020
EUR/CAD	1.564	GBP/AUD	1.9087	NZD/USD	0.5616

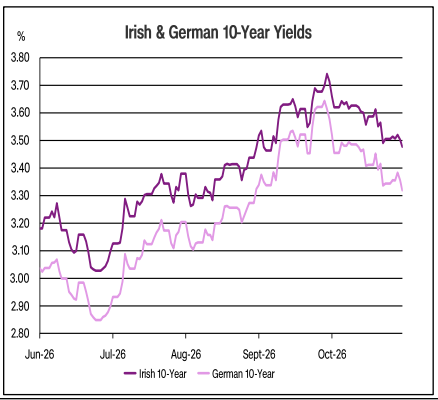












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.93	-6	-35	+78
Germany	3.32	-4	-14	+46
UK	5.29	-1	-8	+82
Ireland	3.48	-3	-14	+45
Belgium	4.38	+3	+5	+104
France	4.97	+6	+11	+141
Italy	4.49	+1	-12	+98
Spain	3.95	-2	-13	+66
Portugal	3.78	-7	-21	+62
Greece	4.32	+3	-21	+84
5 Year Swap %				
US	4.70	-3	-33	+97
Eurozone	3.38	-3	-10	+82
UK	4.96	-1	+3	+107
2 Year Swap %				
US	4.70	-1	-24	+113
Eurozone	3.36	+1	-5	+110
UK	4.94	-2	+8	+121
10 Year Government Bond Spreads to Benchmark bps				
Ireland	16	+1	-1	-1
Belgium	107	+6	+6	+18
France	165	+10	+10	+25
Italy	117	+5	+5	+2
Spain	63	+2	+2	+0
Portugal	47	-3	-7	+17
Greece	100	+7	-7	-7

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	117.64	+2.40	+15.05	+93.33
West Texas Oil	107.56	+3.92	+9.88	+87.84
Gold $	3875.0	-3.62	-6.45	-10.18

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