

BoE opts for a dovish hold

In line with market expectations, the Bank of England (BoE) left the Bank rate unchanged yesterday. However, the monetary policy committee was deeply split on the decision, with five members voting to hold, while four were in favour of a 25bps cut. However, remarks from Governor Bailey at the press conference, suggest that if inflation moves in line with the BoE outlook in the coming months, a rate cut is likely at the final meeting of the year in December.

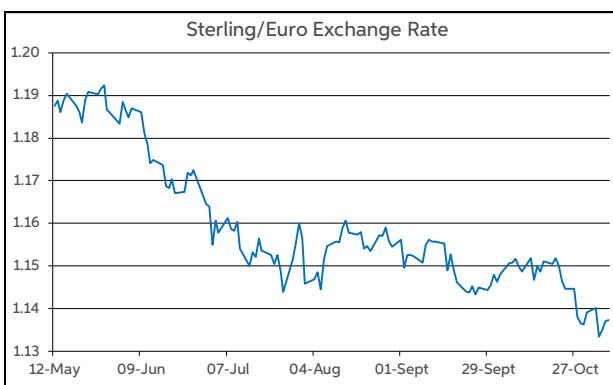
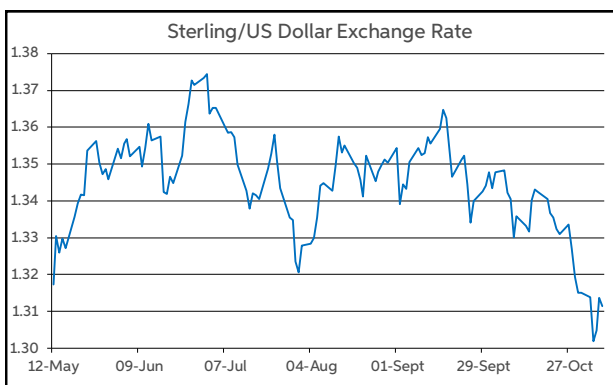
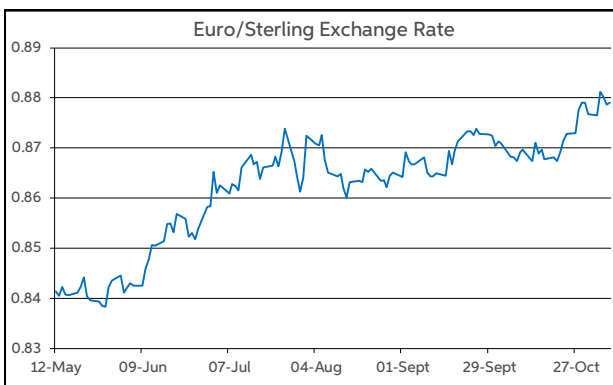
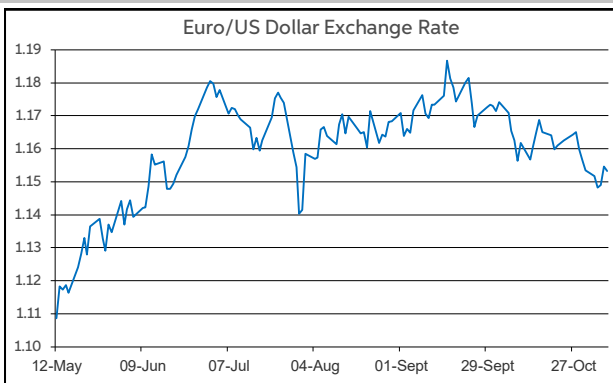
Despite the dovish hold from the BoE, UK interest rate futures were little changed. Current pricing indicates that there is around a 60% chance of a rate cut in December. At the same time, there is still circa 60bps of policy easing expected by the end of 2026.

Elsewhere on markets there was a risk-off tone to investor sentiment yesterday. Ongoing concerns regarding stretched valuations in relation to AI companies and private sector reports which show the US labour market remains weak, as well as the US government shutdown, weighed on sentiment. Against this backdrop, both the Euro Stoxx 50 and the S&P 500 shed circa 1% yesterday.

However, unlike earlier in the week, the dollar did not benefit from safe haven demand arising from the risk averse mood. Instead the greenback was on the defensive. Overall though, the main FX pairs were confined to relatively narrow ranges yesterday. This sees EUR/USD open today in the lower half of \$1.15-1.16. GBP/USD is back above the \$1.31 handle. EUR/GBP remains in and around 88p.

Turning to the day ahead, the macro calendar is rather light. Indeed the only release of note will be the preliminary reading of the Michigan measure of US consumer sentiment for November. A slight deterioration from an already weak level is pencilled in for the month. On the monetary policy front, remarks from BoE Chief Economist Pill, and a number of Fed officials will be in focus.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1532	0.20	11.39
EUR/GBP	0.8791	-0.22	6.26
GBP/USD	1.3114	0.42	4.82
GBP/EUR	1.1371	0.22	-5.89
USD/JPY	153.45	-0.27	-2.37
EUR/JPY	176.97	-0.08	8.74

* v Previous Day's European Open
See Next Page for More Rates

Opening Interest Rates						
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	3.88	3.95	3.84	3.57	3.63	3.67
EUR	2.00	1.87	1.99	2.12	2.16	2.39
GBP	4.00	3.97	3.88	3.66	3.81	3.88

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
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Opening Levels

Friday 07 November 2025
07:49 am



Euro

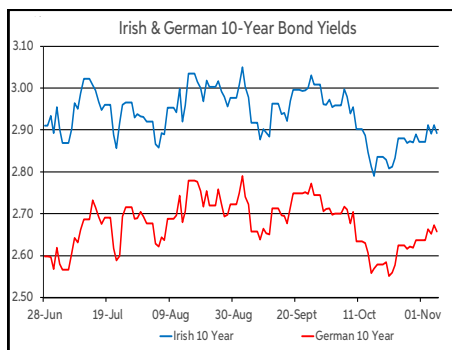
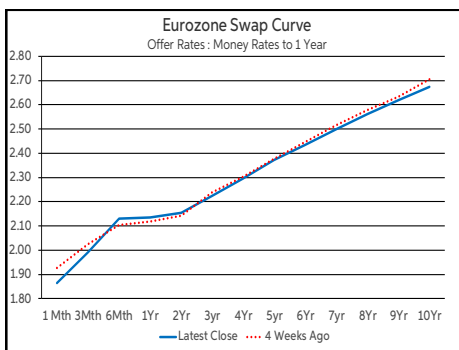
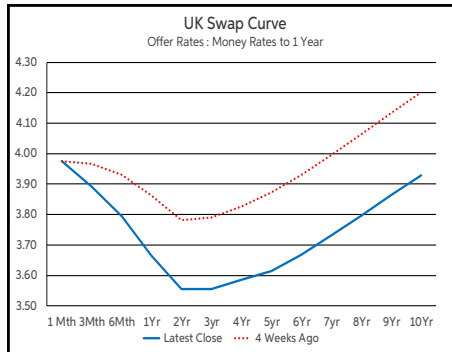
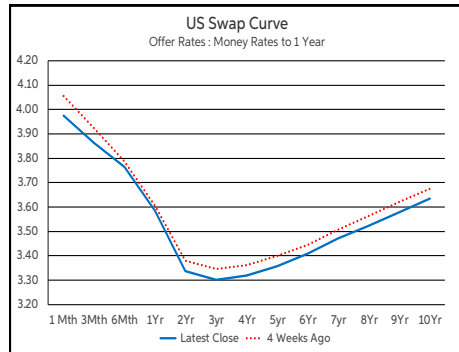
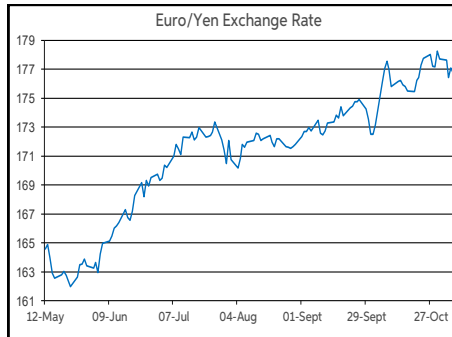
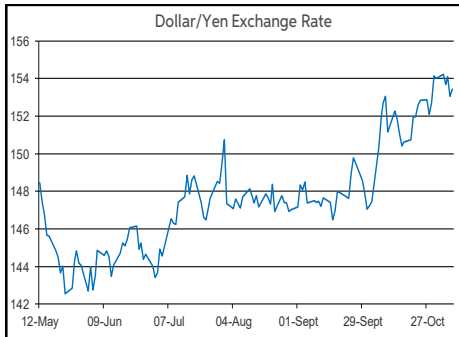
EUR/GBP	0.8791
EUR/USD	1.1532
EUR/JPY	176.97
EUR/SEK	11.0502
EUR/DKK	7.4664
EUR/NOK	11.775
EUR/CHF	0.9314
EUR/AUD	1.7786
EUR/HKD	8.9676
EUR/CAD	1.628

Sterling

GBP/EUR	1.1371
GBP/USD	1.3114
GBP/CAD	1.8511
GBP/NZD	2.3374
GBP/JPY	201.23
GBP/SEK	12.5662
GBP/DKK	8.4892
GBP/NOK	13.3919
GBP/CHF	1.0591
GBP/AUD	2.0222

Dollar

USD/JPY	153.45
USD/CAD	1.4119
USD/CHF	0.8076
USD/CNY	7.1223
USD/BRL	5.3498
USD/RUB	81.2
USD/INR	88.702
AUD/USD	0.6482
NZD/USD	0.5608



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.09	-6	-5	-48
Germany	2.66	-1	-5	+29
UK	4.44	-3	-32	-14
5 Year Swap %				
US	3.61	-9	-4	-68
Eurozone	2.37	+1	-1	+13
UK	3.87	-3	-24	-41
2 Year Swap %				
US	3.61	-7	-1	-72
Eurozone	2.15	+0	+1	-4
UK	3.80	-2	-22	-69
10 Year Government Bond Spreads to Benchmark bps				
Ireland	24	-0	-2	-5
Belgium	54	-0	-2	-8
France	79	-0	-4	-4
Italy	76	+0	-8	-40
Spain	51	-0	-3	-19
Portugal	36	+1	-4	-12
Greece	65	+0	-4	-24

Commodities				
	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	63.38	-0.22	-2.82	-15.09
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3977.6	-0.12	+0.07	+51.60

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