

US CPI inflation due this week

For the majority of last week, there was a cautious mood on markets. Ongoing inflation concerns related to elevated oil prices, volatile trading conditions on bond markets, and political/fiscal instability in France, continued to weigh on investor sentiment. As a result, the Euro Stoxx 50 contracted by 1.0% on the week. On Wall Street though, losses in the middle of the week were book ended by strong rises for the S&P 500, resulting in a 1.2% gain overall, and a new all-time high for the index.

Brent crude prices continued to trade north of \$100 per barrel last week, topping out near \$106/bbl before settling back close to \$104/bbl on Friday. At the same time, long-dated US Treasury yields reached new multi-decade highs (10yr at 5.36%, 30-yr at 5.73%), before moving off peaks. Similarly, German Bund and UK Gilt yields rose somewhat, but ended the week below their recent highs. Meanwhile, the spread between German and French 10-year yields remained elevated, at circa 130-140bps.

On the currency front, the main pairs range traded throughout last week. EUR/USD operated in and around the \$1.12 threshold, GBP/USD changed hands close to the \$1.32 mark, while EUR/GBP was confined to the top half of the 84-85p corridor. As trading gets underway this morning, the key FX rates are still trading within the levels seen last week.

Turning to the week ahead, the main release of note will be US CPI inflation for September. The headline and core rates are both projected to rise modestly. A significant upside risk could support the dollar, which would pose significant downside risk for the EUR/USD pair. At the same time, developments in France may also continue to weigh on the euro this week. Throughout the week, investors will also be keeping a close eye on the conflict in the Middle East.

Daniel Noonan, Economist, AIB

Today's Opening FX Rates

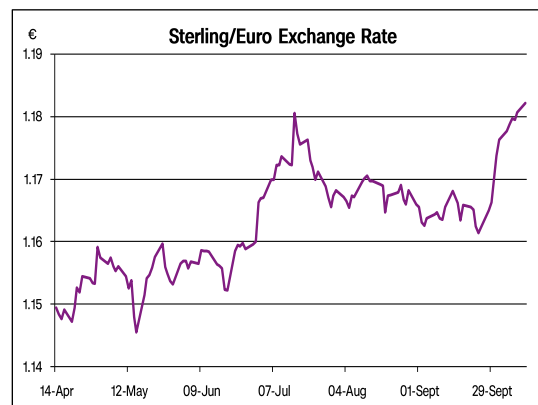
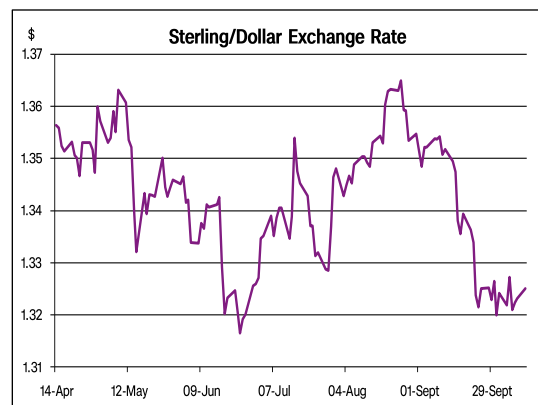
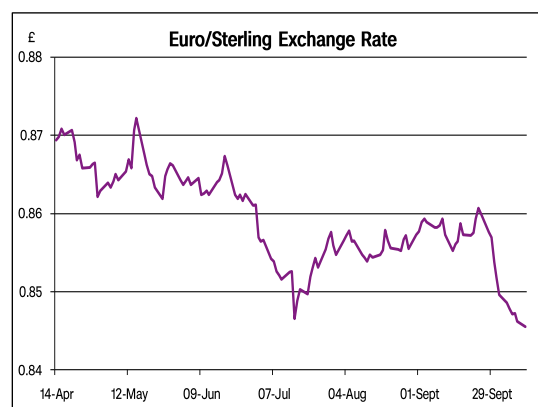
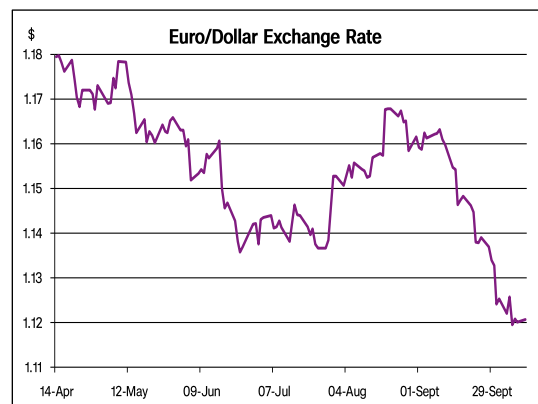
		% Change	
		Day *	End 2025
EUR/USD	1.1206	-0.20	-4.59
EUR/GBP	0.8453	-0.29	-3.01
GBP/USD	1.3251	+0.08	-1.65
GBP/EUR	1.1824	+0.30	3.10
USD/JPY	158.34	+0.16	1.08
EUR/JPY	177.46	-0.05	-3.55

* 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	3.92	4.03	4.47	4.92	5.00
EUR	2.50	2.43	2.63	3.20	3.39	3.48
GBP	3.75	3.78	3.95	4.47	4.91	5.00



Today's Opening Rates

Euro

EUR/GBP	0.8455
EUR/USD	1.1206
EUR/JPY	177.46
EUR/SEK	11.1999
EUR/DKK	7.4742
EUR/NOK	10.7023
EUR/CHF	0.9307
EUR/AUD	1.605
EUR/HKD	8.7941
EUR/CAD	1.5963

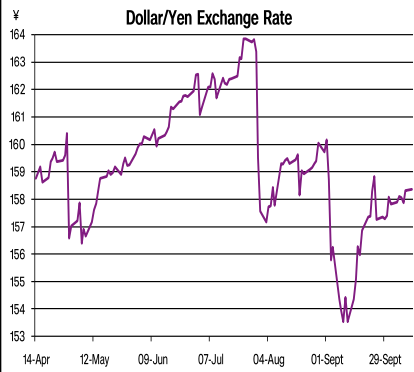
Sterling

GBP/EUR	1.1824
GBP/USD	1.3251
GBP/CAD	1.8876
GBP/NZD	2.3621
GBP/JPY	209.83
GBP/SEK	13.243
GBP/DKK	8.8376
GBP/NOK	12.6608
GBP/CHF	1.1006
GBP/AUD	1.898

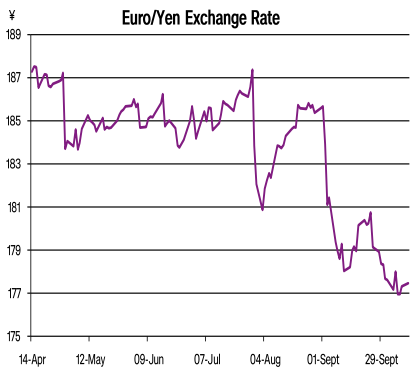
Dollar

USD/JPY	158.35
USD/CAD	1.4246
USD/CHF	0.8306
USD/CNY	6.6917
USD/BRL	4.9922
USD/RUB	84.4200
USD/INR	95.7725
AUD/USD	0.6980
NZD/USD	0.5607

Dollar/Yen Exchange Rate

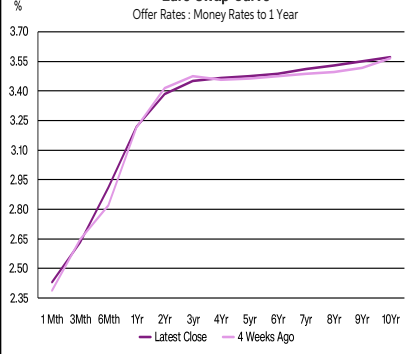


Euro/Yen Exchange Rate



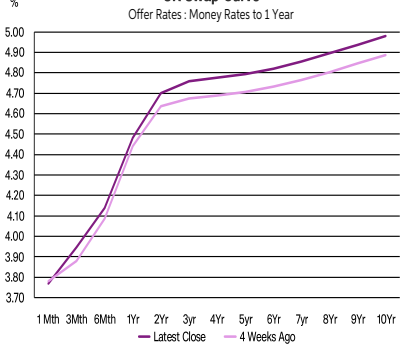
Euro Swap Curve

Offer Rates : Money Rates to 1 Year



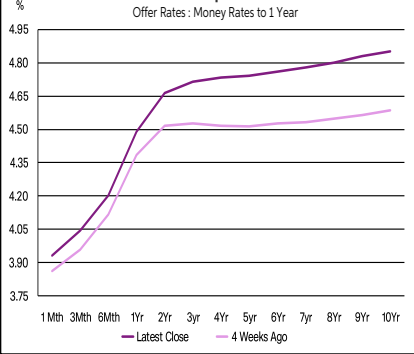
UK Swap Curve

Offer Rates : Money Rates to 1 Year

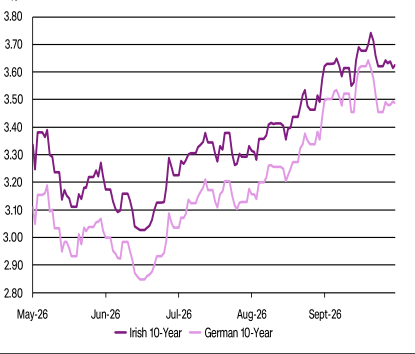


US Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	5.24	+1	+27	+109
Germany	3.49	-1	-2	+62
UK	5.45	-4	+10	+97
Ireland	3.63	+1	-0	+60
Belgium	4.33	-3	+23	+99
France	4.86	-4	+41	+130
Italy	4.59	-3	+23	+108
Spain	4.10	-2	+14	+81
Portugal	3.99	-0	+12	+83
Greece	4.41	-2	+18	+93
5 Year Swap %				
US	5.00	+3	+23	+127
Eurozone	3.47	+2	+1	+91
UK	5.00	+2	+7	+110
2 Year Swap %				
US	4.91	+5	+15	+134
Eurozone	3.36	+1	-4	+111
UK	4.92	+3	+6	+119
10 Year Government Bond Spreads to Benchmark bps				
Ireland	14	+2	+1	-3
Belgium	85	-2	-2	+24
France	137	-3	-3	+43
Italy	110	-2	-2	+25
Spain	62	-2	-2	+16
Portugal	51	+0	+14	+21
Greece	93	-1	+20	+20

Commodities

	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	104.72	+0.42	+0.11	+72.10
West Texas Oil	98.73	+0.48	-2.51	+72.42
Gold \$	4193.8	+1.45	-3.53	-2.79

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