

Sterling edges higher

There was a mixed mood on markets yesterday. A further rise in oil prices and ongoing concerns regarding the fiscal/political situation in France amid significant protests at the weekend, weighed on investor sentiment. Brent crude rose by 2.5%, lifting prices up to \$110 per barrel. At the same time, government bond yields moved higher across the Eurozone. The spread between 10-year German Bund and French yields widened to circa 147bps.

Elsewhere, US Treasury and UK Gilt yields rose by 4-6bps. Against this backdrop, the Euro Stoxx 50 declined by 1.0%. Meantime, the S&P 500 rose by 0.5%, albeit the move was concentrated by a rebound in the tech-sector following some heavy losses last week.

On currency markets, the main pairs were largely range bound yesterday. Of the limited moves to note, the euro was under some modest downward pressure. Overnight though, the single currency has recouped some of its losses. At the same time, sterling has continued to firm slightly.

In level terms, this sees EUR/USD open today in the lower half of \$1.12-1.13 once again. EUR/GBP is back nearer to the 84p threshold. Meantime GBP/USD is changing hands up at the midpoint of \$1.33-1.34 corridor.

Already this morning, UK labour market data have been released. The unemployment unexpectedly fell to 4.7% in August, having operated in a 4.9-5.0% range since February. Average earnings growth printed just above the consensus, rising to +3.7% y/y (vs. +3.6% f'cast). Sterling has been a touch firmer in early trading following the release.

The macro data calendar is quiet for the remainder of the day. However, developments in France will be in focus. Investors will also be keeping an eye on the situation in the Middle East, and on AI-related newsflow.

Daniel Noonan, Economist, AIB

Today's Opening FX Rates

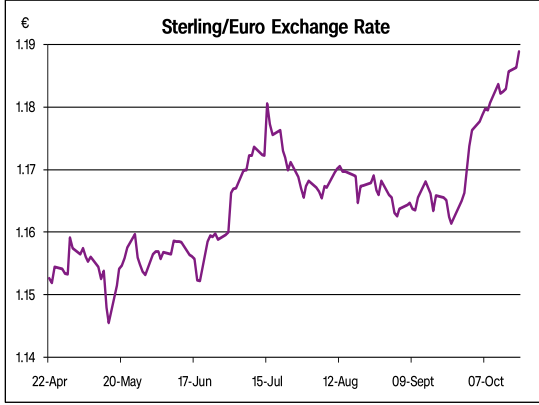
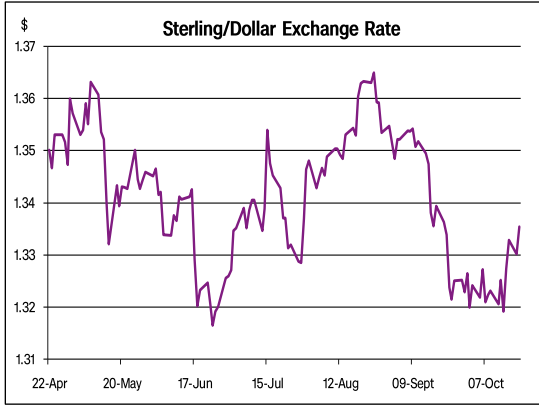
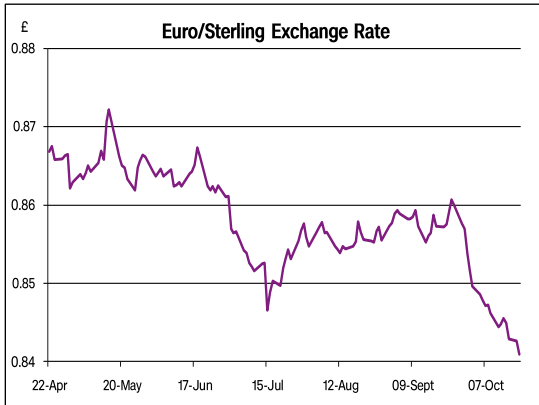
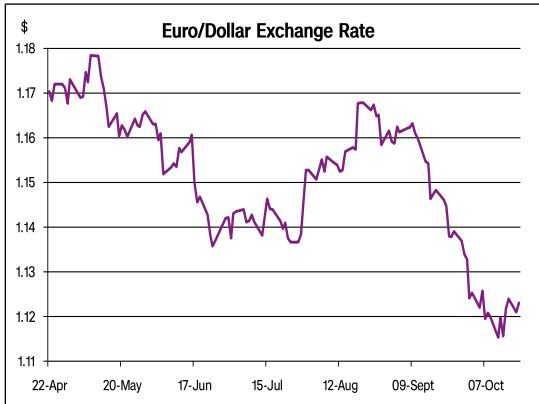
		% Change	
		Day *	End 2025
EUR/USD	1.1229	+0.00	-4.39
EUR/GBP	0.8409	-0.19	-3.51
GBP/USD	1.3352	+0.19	-0.90
GBP/EUR	1.1889	+0.19	3.64
USD/JPY	158.10	+0.01	0.93
EUR/JPY	177.54	-0.02	-3.51

* 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	4.06	4.49	4.89	4.91
EUR	2.50	2.43	2.64	3.25	3.41	3.46
GBP	3.75	3.85	3.99	4.52	4.95	5.02



Today's Opening Rates

Euro

EUR/GBP	0.8407
EUR/USD	1.1229
EUR/JPY	177.52
EUR/SEK	11.1126
EUR/DKK	7.474
EUR/NOK	10.5454
EUR/CHF	0.9268
EUR/AUD	1.6052
EUR/HKD	8.8128
EUR/CAD	1.5807

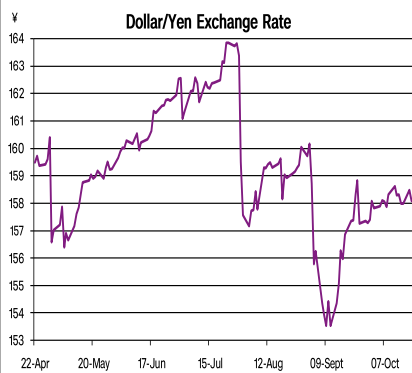
Sterling

GBP/EUR	1.1889
GBP/USD	1.3352
GBP/CAD	1.8795
GBP/NZD	2.348
GBP/JPY	211.08
GBP/SEK	13.2103
GBP/DKK	8.8858
GBP/NOK	12.529
GBP/CHF	1.1018
GBP/AUD	1.9086

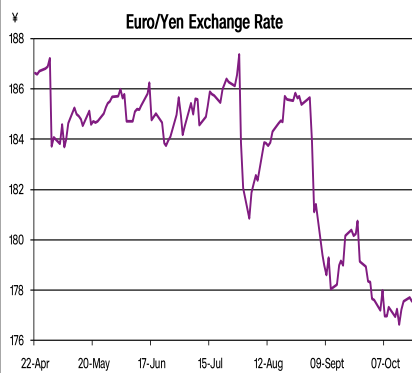
Dollar

USD/JPY	158.09
USD/CAD	1.4079
USD/CHF	0.8253
USD/CNY	6.6787
USD/BRL	5.0404
USD/RUB	82.9200
USD/INR	94.91
AUD/USD	0.6992
NZD/USD	0.5683

Dollar/Yen Exchange Rate



Euro/Yen Exchange Rate



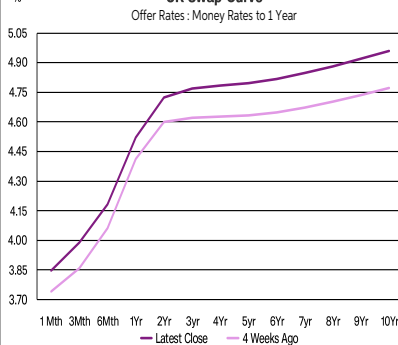
Euro Swap Curve

Offer Rates : Money Rates to 1 Year



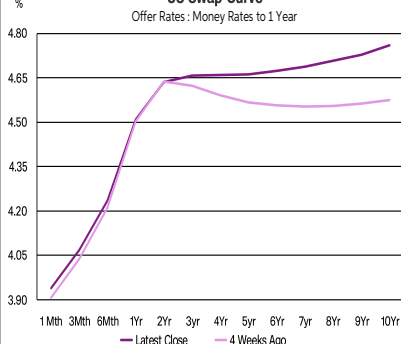
UK Swap Curve

Offer Rates : Money Rates to 1 Year

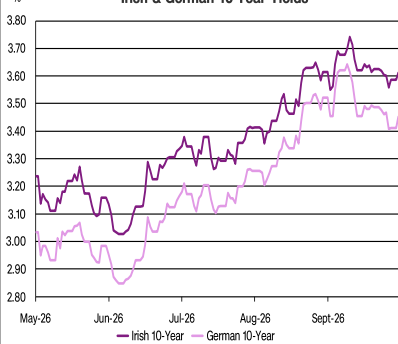


US Swap Curve

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	5.14	+4	+17	+98
Germany	3.45	+4	-0	+59
UK	5.44	+6	+23	+97
Ireland	3.61	+3	+6	+58
Belgium	4.36	+11	+27	+102
France	4.93	+14	+46	+136
Italy	4.57	+9	+24	+106
Spain	4.07	+6	+16	+78
Portugal	3.94	+7	+12	+78
Greece	4.39	+7	+17	+91

5 Year Swap %

US	4.91	+5	+9	+118
Eurozone	3.48	+2	+2	+92
UK	5.02	+2	+19	+113

2 Year Swap %

US	4.87	+6	-2	+130
Eurozone	3.42	+3	-5	+116
UK	4.94	+1	+14	+121

10 Year Government Bond Spreads to Benchmark bps

Ireland	16	-2	+6	-1
Belgium	91	+6	+6	+28
France	147	+10	+10	+46
Italy	112	+5	+5	+24
Spain	62	+2	+2	+16
Portugal	49	+3	+12	+19
Greece	94	+2	+18	+18

Commodities

	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	109.55	-0.28	+9.18	+80.03
West Texas Oil	106.66	-1.43	+9.99	+86.27
Gold \$	4139.7	-0.61	-4.69	-4.04

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