

## Dollar still edging higher

Overall, investor sentiment has been holding a cautious tone over the past 24 hours. Equity markets moved lower on both sides of the Atlantic amid some disappointing Q3 earnings reports. The Euro Stoxx 50 fell by 0.8%. Meantime, the S&P 500 edged 0.5% lower.

In terms of fixed income, US Treasury and German Bund yields were little changed. In contrast, UK Gilt yields declined by 4-9bps. The move coincided with a softening in market rate expectations, following a weaker than anticipated inflation report for September.

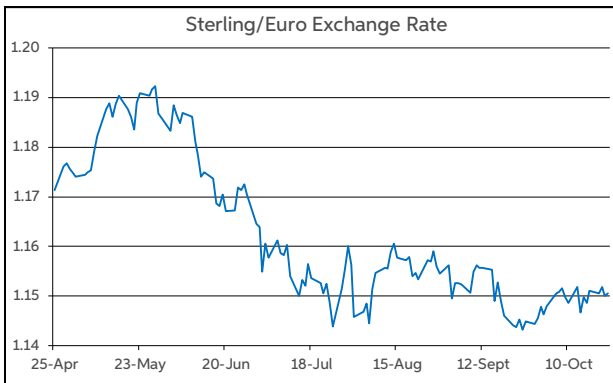
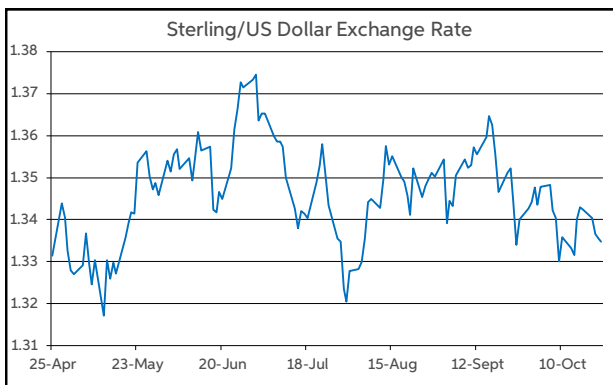
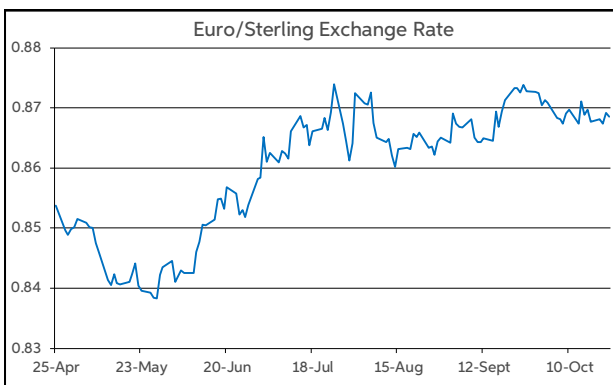
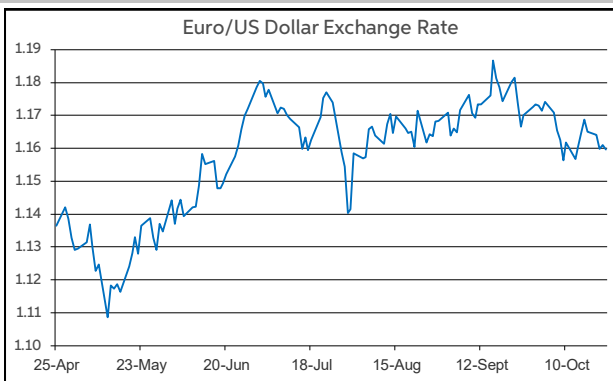
Current pricing indicates the market now sees around a 75% chance of a rate cut by year end (up from 40% previously). In any case, a rate cut is now fully priced-in for February next year (was March) and around 65bps worth of policy easing is anticipated by the end of 2026 (compared to circa 50bps pre-CPI data).

On the currency front, sterling was on the defensive due to the softening in market rate expectations in the aftermath of the CPI release. This was evidenced by EUR/GBP testing above the 87p threshold, while GBP/USD fell to a low near \$1.33. However, as the day progressed the pound recouped some of its losses. At the same time, the dollar was supported by the weaker tone to risk appetite. The yen was also under pressure overnight.

In level terms EUR/USD opens just below the \$1.16 threshold this morning. GBP/USD is at the midpoint of \$1.33-1.34. EUR/GBP is changing hands near the 87p handle. USD/JPY is at the halfway mark of the ¥152-153 corridor.

Turning to the day ahead, the only release of note will be the flash measure of Eurozone consumer confidence for October. A slight deterioration is pencilled in for the month. Barring any major surprises though, the data may not impact the euro today.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1597	-0.09	12.02
EUR/GBP	0.8686	0.13	4.99
GBP/USD	1.3348	-0.22	6.69
GBP/EUR	1.1507	-0.13	-4.75
USD/JPY	152.51	0.50	-2.97
EUR/JPY	176.88	0.40	8.68

\* 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	4.13	3.98	3.85	3.45	3.50	3.52
EUR	2.00	1.90	2.04	2.07	2.09	2.29
GBP	4.00	3.91	3.87	3.65	3.78	3.85

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

Thursday 23 October 2025  
07:51 am



## Euro

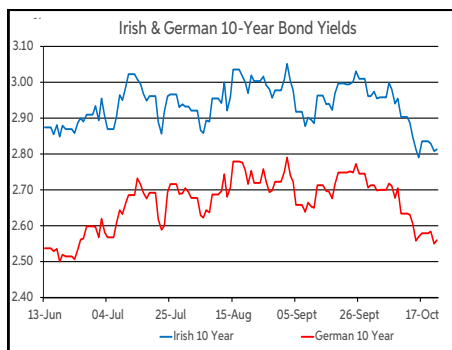
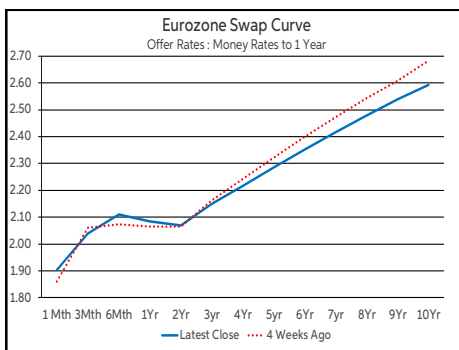
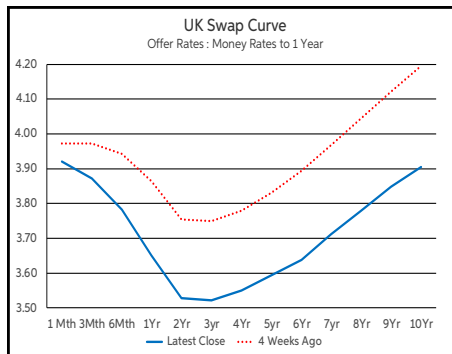
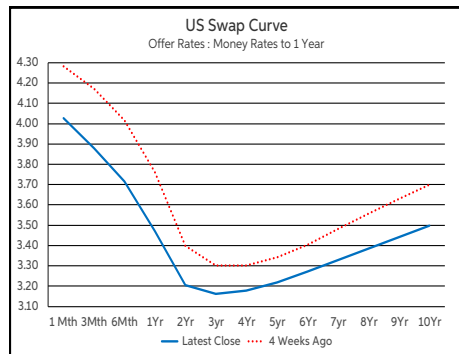
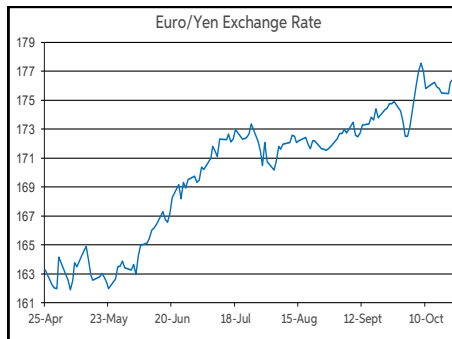
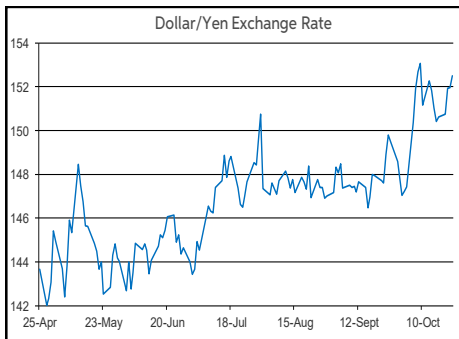
EUR/GBP	0.8686
EUR/USD	1.1597
EUR/JPY	176.88
EUR/SEK	10.9181
EUR/DKK	7.469
EUR/NOK	11.6045
EUR/CHF	0.9245
EUR/AUD	1.7842
EUR/HKD	9.0134
EUR/CAD	1.6223

## Sterling

GBP/EUR	1.1507
GBP/USD	1.3348
GBP/CAD	1.8672
GBP/NZD	2.3242
GBP/JPY	203.56
GBP/SEK	12.5607
GBP/DKK	8.5944
GBP/NOK	13.351
GBP/CHF	1.0639
GBP/AUD	2.0529

## Dollar

USD/JPY	152.51
USD/CAD	1.399
USD/CHF	0.7971
USD/CNY	7.1223
USD/BRL	5.4003
USD/RUB	81.85
USD/INR	87.937
AUD/USD	0.6498
NZD/USD	0.5739



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
<b>10 Year Yield %</b>				
US	3.95	-1	-19	-62
Germany	2.56	+1	-19	+20
UK	4.43	-6	-25	-15
<b>5 Year Swap %</b>				
US	3.48	+1	-13	-81
Eurozone	2.25	+0	-14	+2
UK	3.84	-6	-20	-44
<b>2 Year Swap %</b>				
US	3.46	-1	-17	-88
Eurozone	2.06	-0	-7	-13
UK	3.77	-9	-20	-71
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	25	-0	-0	-3
Belgium	56	+0	+1	-6
France	79	+0	-3	-4
Italy	79	-0	-5	-36
Spain	53	+0	-2	-17
Portugal	39	-0	-3	-10
Greece	67	-0	-5	-22

Commodities				
	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	62.59	+2.07	-9.70	-16.14
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4093.8	-0.73	+9.58	+56.02

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