Morning Comment

AIB Treasury Economic Research Unit

Euro remains on the defensive

Having declined throughout last week, equity markets rebounded somewhat on both sides of the Atlantic yesterday. The Euro Stox 50 and the S&P 500 both rose by 0.8% and 0.7%, respectively. Meantime, energy prices continued to move higher. European natural gas prices reached their highest level since 2022, above €97 per MW/h before finishing flat for the day. Elsewhere, Brent crude oil peaked above $117 per barrel, before settling just below $116 per barrel.

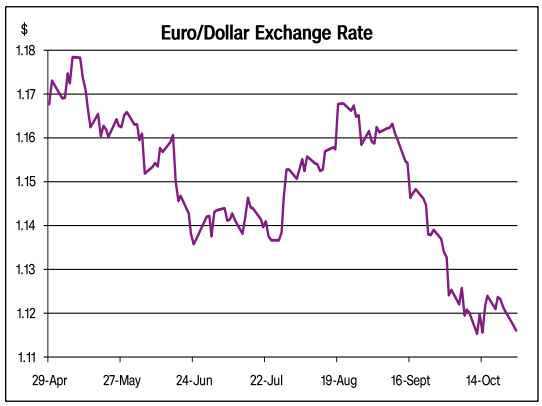
On bond markets, German Bund and US Treasury yields edged 1-4bps higher. The moves for both were concentrated at the front-end of the curves. Elsewhere, UK Gilt yields were little changed. At the same time, the spread between 10-year German and French yields narrowed by circa 10bps to around 155bps.

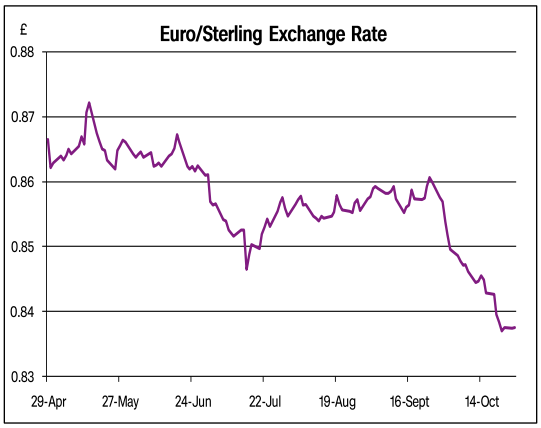
On the currency front, the main pairs were largely range bound. Of the limited moves to note, the euro remained on the defensive yesterday. The rise in energy prices was a headwind for the single currency. Meanwhile, the dollar was holding a firmer tone overnight.

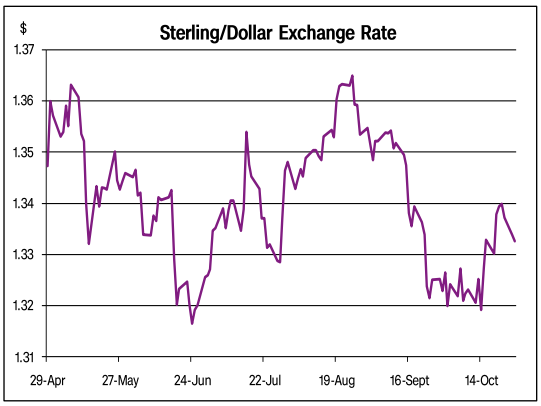
In level terms, EUR/USD opens today back near the halfway mark of $1.11-1.12. Meantime, GBP/USD is operating in the lower half of the $1.33-1.34 corridor. EUR/GBP continues to trade in the upper region of the 83-84p band. USD/JPY is changing hands in the top half of the ¥157-158 range.

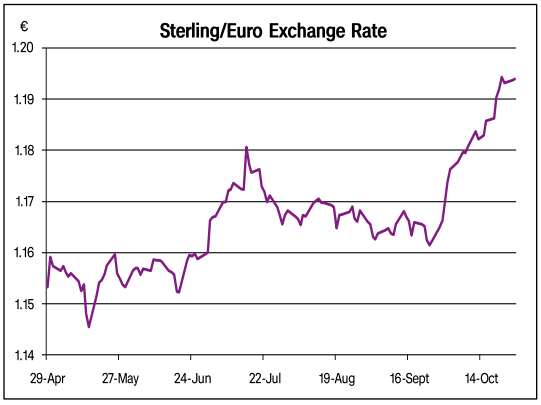
Turning to the day ahead, the macro data calendar is relatively quiet. In the Eurozone, the latest monetary statistics for September are due. Elsewhere, the Conference Board measure of US Consumer Confidence for October will feature. However, neither release is likely to have a major impact on investor sentiment. Indeed, markets may remain range bound over the next 24 hours as investors keep their powder dry ahead of a slew of central bank meeting later in the week, most notably gatherings of the Fed, ECB and BoJ.

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Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1163	-0.47	-4.96
EUR/GBP	0.8375	-0.13	-3.90
GBP/USD	1.3327	-0.34	-1.08
GBP/EUR	1.1936	+0.13	4.06
USD/JPY	157.80	+0.45	0.73
EUR/JPY	176.17	-0.01	-4.25

* 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	3.94	4.06	4.45	4.85	4.82
EUR	2.50	2.45	2.67	3.25	3.41	3.43
GBP	3.75	3.90	4.01	4.56	4.98	5.00

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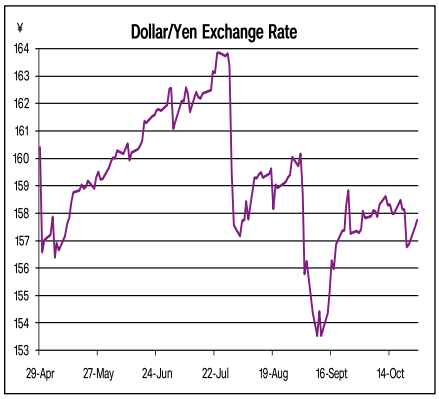
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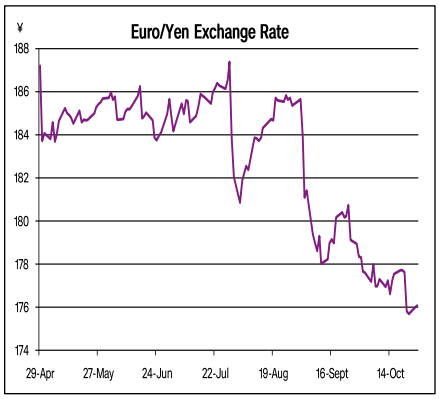
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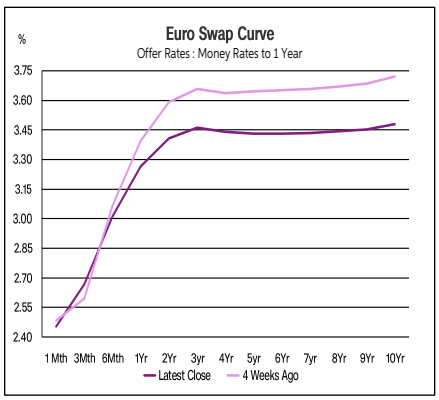
Opening Levels

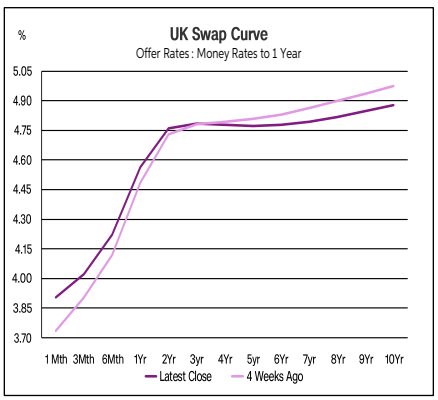
Today's Opening Rates

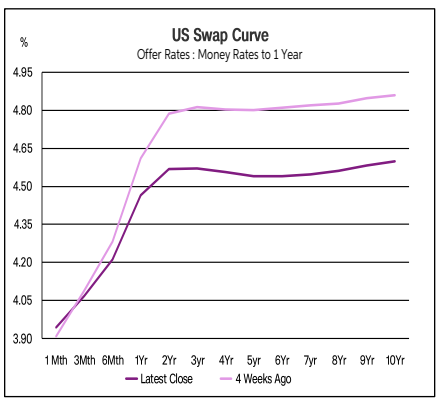
Euro		Sterling		Dollar	
EUR/GBP	0.8376	GBP/EUR	1.1937	USD/JPY	157.79
EUR/USD	1.116	GBP/USD	1.3324	USD/CAD	1.4019
EUR/JPY	176.12	GBP/CAD	1.8676	USD/CHF	0.8277
EUR/SEK	11.1161	GBP/NZD	2.3402	USD/CNY	6.6682
EUR/DKK	7.474	GBP/JPY	210.24	USD/BRL	5.3719
EUR/NOK	10.3932	GBP/SEK	13.2678	USD/RUB	80.4795
EUR/CHF	0.9238	GBP/DKK	8.9211	USD/INR	95.12
EUR/AUD	1.5902	GBP/NOK	12.4		
EUR/HKD	8.7552	GBP/CHF	1.1027	AUD/USD	0.7015
EUR/CAD	1.5645	GBP/AUD	1.8982	NZD/USD	0.569

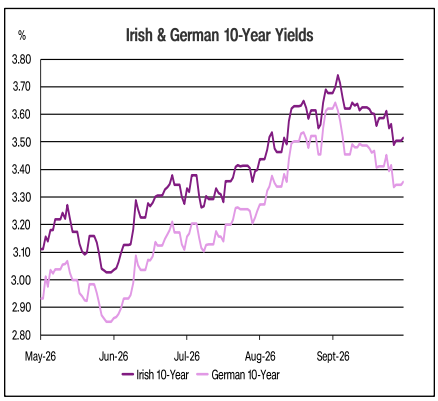












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.99	-0	-26	+83
Germany	3.36	+1	-29	+49
UK	5.35	-2	-8	+87
Ireland	3.51	+1	-19	+49
Belgium	4.39	-5	+5	+104
France	4.91	-12	+13	+135
Italy	4.50	-9	-11	+99
Spain	4.00	-5	-15	+71
Portugal	3.87	-4	-18	+71
Greece	4.33	-7	-11	+85
5 Year Swap %				
US	4.80	+1	-26	+107
Eurozone	3.42	+1	-22	+86
UK	4.99	-0	+0	+110
2 Year Swap %				
US	4.84	+5	-20	+126
Eurozone	3.40	+3	-18	+115
UK	4.97	+2	+6	+124
10 Year Government Bond Spreads to Benchmark bps				
Ireland	16	-0	+10	-1
Belgium	103	-6	-6	+34
France	155	-13	-13	+41
Italy	114	-11	-11	+17
Spain	65	-6	-6	+14
Portugal	52	-5	+11	+22
Greece	98	-8	+18	+18

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	115.81	-0.78	+10.00	+90.32
West Texas Oil	105.25	-4.07	+5.92	+83.81
Gold $	4016.3	+0.52	-2.38	-6.90

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