

EUR/USD starts the week above \$1.17

Throughout last week, investors were focused on the re-emergence of political turbulence in France and further tensions between the White House and the Fed in the US. Against this backdrop, there was a cautious and subdued mood on markets on both sides of the Atlantic. This was reflected by the Euro Stoxx 50 declining by 2.5 (led lower by French companies) and by the S&P 500 edging 0.1% lower on the week (amid a 0.6% decline on Friday).

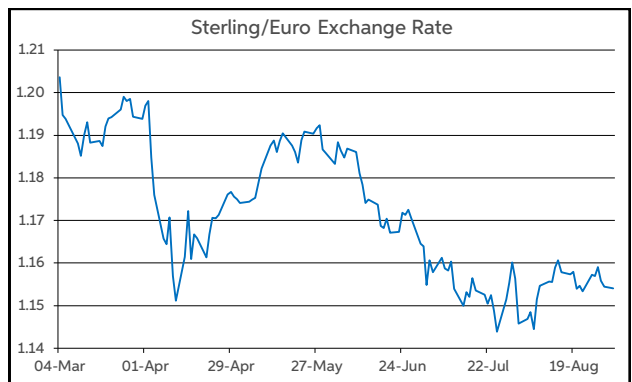
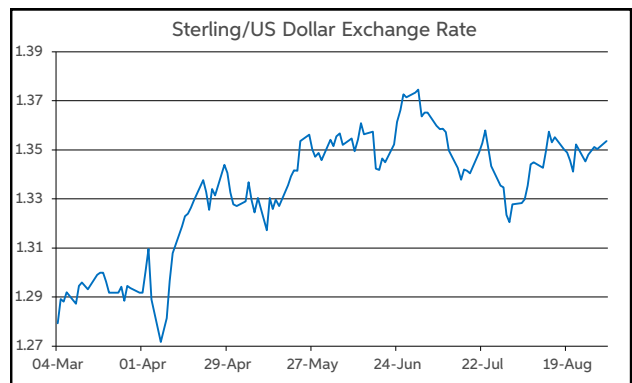
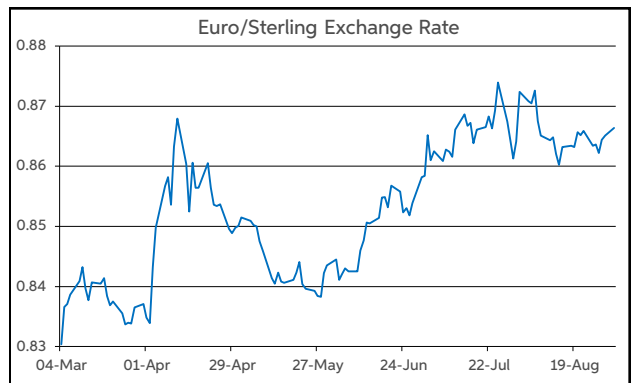
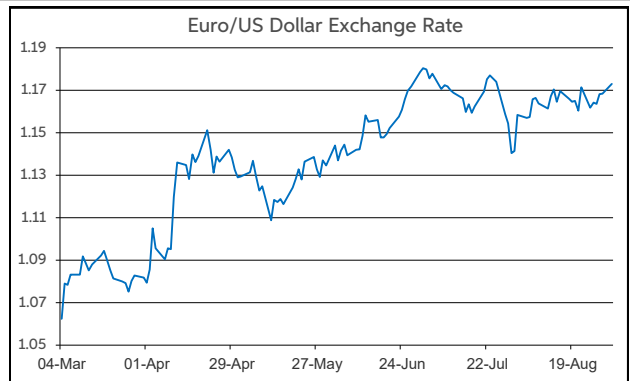
Data-wise, the main highlight of a relatively quiet macro calendar last week was the July reading of US core-PCE inflation. As expected, it rose to 2.9% from 2.8%. However, US interest rate expectations were little changed after the release. Indeed market pricing for a rate cut when the Fed FOMC next meets on September 16-17th was reinforced by some dovish remarks from Fed Governor Waller, who voted for a rate cut at the last meeting.

Amid the dovish outlook for US rates and the aforementioned tensions between the Fed and the White House, short-to-medium term Treasury yields fell by 4-10bps last, while long-dated US yields rose by circa 4bps. In the Eurozone, German Bund yields rose by 1-6bps. Meantime, the spread between the 10-year German and French yield widened by around 8bps to 78bps.

Currency-wise, the main FX pairs operated in relatively narrow ranges throughout last week. As trading gets underway this morning, EUR/USD is in the lower half of \$1.17-1.18. EUR/GBP is changing hands above the midpoint of 86-87p. Elsewhere, GBP/USD is in the bottom half of \$1.35-1.36.

Looking at the week ahead, the US labour market report for August will be the main highlight. In the Eurozone, flash HICP inflation (Aug) and the unemployment rate (Jul) are due. In the UK, Governor Bailey and other BoE officials speak at the Treasury Select Committee.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2024 |
| EUR/USD | 1.173 | 0.57 | 13.30 |
| EUR/GBP | 0.8664 | 0.32 | 4.73 |
| GBP/USD | 1.3536 | 0.26 | 8.19 |
| GBP/EUR | 1.1539 | -0.32 | -4.51 |
| USD/JPY | 146.78 | -0.07 | -6.62 |
| EUR/JPY | 172.21 | 0.50 | 5.81 |

* 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 | 4.38 | 4.26 | 4.15 | 3.74 | 3.69 | 3.63 |
| EUR | 2.00 | 1.86 | 2.06 | 2.06 | 2.09 | 2.35 |
| GBP | 4.00 | 3.96 | 3.96 | 3.85 | 4.00 | 4.07 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

Monday 01 September 2025
07:38 am



Euro

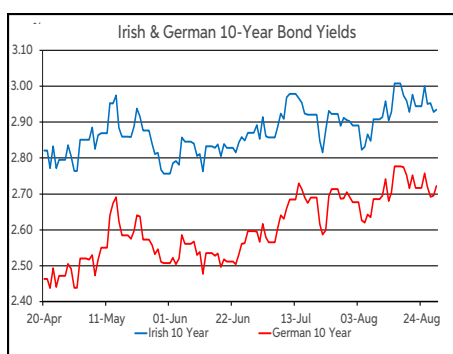
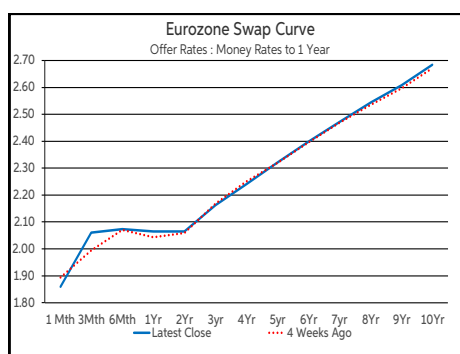
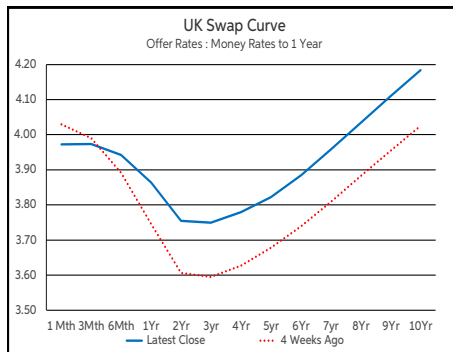
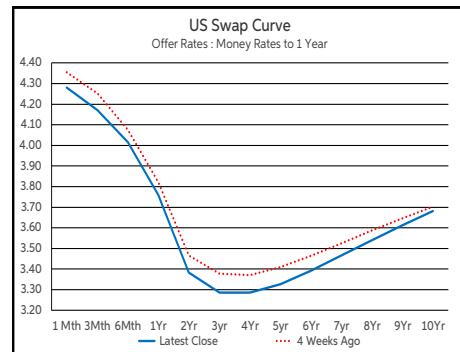
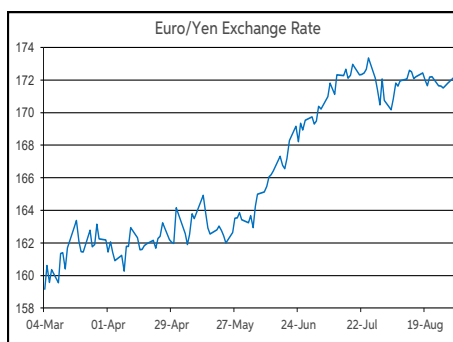
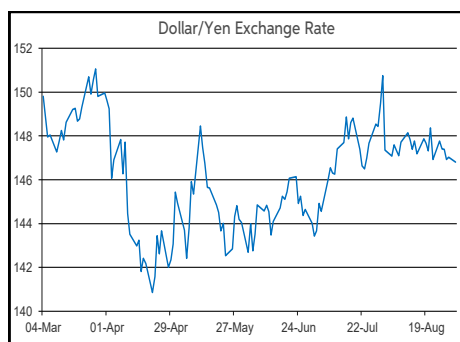
| | |
|---------|--------|
| EUR/GBP | 0.8664 |
| EUR/USD | 1.173 |
| EUR/JPY | 172.21 |
| EUR/SEK | 11.074 |
| EUR/DKK | 7.4641 |
| EUR/NOK | 11.772 |
| EUR/CHF | 0.9368 |
| EUR/AUD | 1.7918 |
| EUR/HKD | 9.1402 |
| EUR/CAD | 1.6116 |

Sterling

| | |
|---------|---------|
| GBP/EUR | 1.1539 |
| GBP/USD | 1.3536 |
| GBP/CAD | 1.8599 |
| GBP/NZD | 2.2932 |
| GBP/JPY | 198.69 |
| GBP/SEK | 12.7805 |
| GBP/DKK | 8.613 |
| GBP/NOK | 13.5836 |
| GBP/CHF | 1.081 |
| GBP/AUD | 2.0678 |

Dollar

| | |
|---------|---------|
| USD/JPY | 146.78 |
| USD/CAD | 1.3741 |
| USD/CHF | 0.7986 |
| USD/CNY | 7.1298 |
| USD/BRL | 5.4324 |
| USD/RUB | 79.9955 |
| USD/INR | 88.26 |
| AUD/USD | 0.6543 |
| NZD/USD | 0.5899 |



Debt Markets

| | Close | Change bps | | |
|--|-------|------------|---------|--------|
| | | Day | 4 Weeks | End 24 |
| 10 Year Yield % | | | | |
| US | 4.23 | +2 | +1 | -35 |
| Germany | 2.72 | +2 | +5 | +36 |
| UK | 4.72 | +2 | +20 | +15 |
| | | | | |
| Ireland | 2.98 | +2 | +6 | +33 |
| Belgium | 3.30 | +4 | +9 | +32 |
| France | 3.51 | +4 | +16 | +32 |
| Italy | 3.62 | +5 | +8 | +9 |
| Spain | 3.33 | +4 | +7 | +27 |
| | | | | |
| Portugal | 3.19 | +4 | +7 | +34 |
| Greece | 3.43 | +3 | +8 | +18 |
| | | | | |
| 5 Year Swap % | | | | |
| US | 3.59 | +1 | -7 | -70 |
| Eurozone | 2.30 | -1 | -2 | +6 |
| UK | 4.06 | +1 | +15 | -22 |
| | | | | |
| 2 Year Swap % | | | | |
| US | 3.65 | -0 | -7 | -69 |
| Eurozone | 2.04 | -2 | -1 | -15 |
| UK | 3.99 | +2 | +16 | -50 |
| | | | | |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 25 | -0 | +1 | -3 |
| | | | | |
| Belgium | 58 | +2 | +4 | -4 |
| France | 79 | +1 | +12 | -4 |
| Italy | 89 | +3 | +3 | -26 |
| Spain | 61 | +1 | +2 | -9 |
| | | | | |
| Portugal | 46 | +1 | +3 | -2 |
| Greece | 71 | +0 | +3 | -17 |

Commodities

| | % Change | | | |
|----------------|----------|-------|---------|--------|
| | Close | Day | 4 Weeks | End 24 |
| Brent Oil | 68.12 | -0.73 | -2.22 | -8.74 |
| West Texas Oil | 71.65 | -0.17 | -1.90 | -1.27 |
| Gold \$ | 3446.7 | +0.88 | +2.51 | +31.36 |

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