

## Fed FOMC meeting in focus this week

It was relatively quiet across financial markets last week. Overall, there was a positive tone to risk appetite. The Euro Stoxx 50 gained 1.0% on the week, while on Wall Street, the S&P 500 rose by 0.4%. Meanwhile, on bond markets, German Bund and US Treasury yields moved 7-10bps higher along the curve. In contrast, UK Gilt yields edged 1-4bps lower.

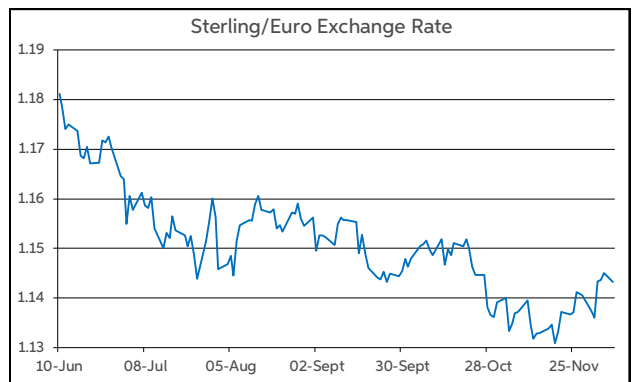
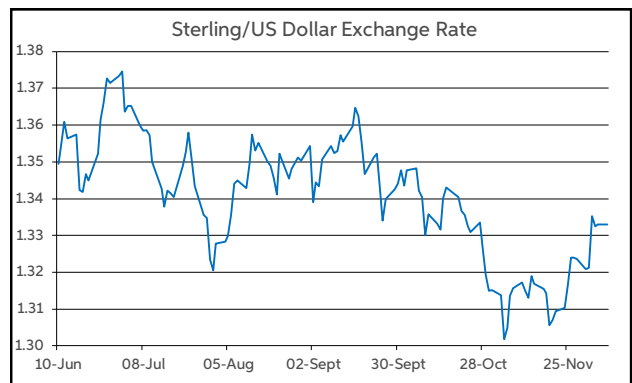
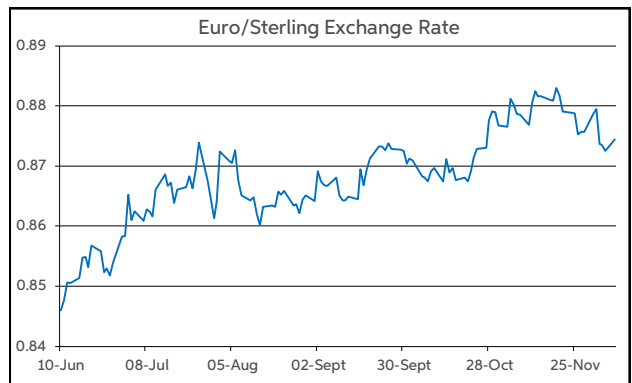
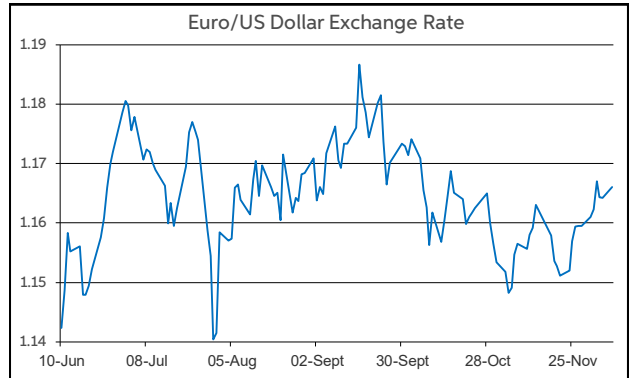
On the data front, the main release of note, US core-PCE inflation printed a touch below the consensus last week. It printed at 2.8% (vs. 2.9% f'cast) in September. Similarly, Eurozone core inflation was just below expectations, at 2.4% (vs. 2.5% f'cast) in November, albeit the headline rate rose to 2.2%. Meantime, a number of US labour market metrics indicated that conditions in the jobs market had softened recently.

Currency-wise, the main pairs operated within narrow trading ranges last week. The dollar was under some modest downward pressure, amid the weaker than anticipated labour market data. At the same time, sterling was in the ascendancy throughout last week.

As trading gets underway this morning, EUR/GBP opens just below the halfway mark of the 87-88p corridor. EUR/USD is changing hands near the midpoint of \$1.16-1.17. Elsewhere, GBP/USD is above the \$1.33 threshold. USD/JPY is trading in the bottom half of ¥155-156.

This week, the main focus will be on the Fed FOMC meeting. Market pricing is leaning heavily towards a rate cut, although remarks from Fed officials indicate that it may be a close decision. Aside from the rates outcome, the updated economic projections and post-meeting press conference will garner close attention. On the data front, the delayed release of US JOLTS job openings data for September, and the Q3 employment cost index are due. The monthly reading of UK GDP for October will also be released.

**Daniel Noonan, Economist, AIB**



| Today's Opening FX Rates |        |          |          |
|--------------------------|--------|----------|----------|
|                          |        | % Change |          |
|                          |        | Day *    | End 2024 |
| EUR/USD                  | 1.1656 | -0.03    | 12.59    |
| EUR/GBP                  | 0.8745 | 0.13     | 5.71     |
| GBP/USD                  | 1.3329 | -0.10    | 6.54     |
| GBP/EUR                  | 1.1434 | -0.13    | -5.40    |
| USD/JPY                  | 155.29 | 0.45     | -1.20    |
| EUR/JPY                  | 181.06 | 0.45     | 11.25    |

\* 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                    | 3.88      | 3.79         | 3.73  | 3.51       | 3.64 | 3.70 |
| EUR                    | 2.00      | 1.91         | 2.08  | 2.18       | 2.25 | 2.54 |
| GBP                    | 4.00      | 3.82         | 3.76  | 3.60       | 3.80 | 3.93 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

|         |                            |            |            |                  |                           |                 |                                   |
|---------|----------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|
| FX Spot | Karl Cooke<br>Shane Gargan | FX Options | Mark Tuite | Reuters<br>Phone | AIBG.I<br>00353-1-7724018 | Morning Comment | John Fahey<br>john.j.fahey@aib.ie |
|---------|----------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|

# Opening Levels

Monday 08 December 2025  
07:49 am



## Euro

|         |        |
|---------|--------|
| EUR/GBP | 0.8745 |
| EUR/USD | 1.1656 |
| EUR/JPY | 181.06 |
| EUR/SEK | 10.956 |
| EUR/DKK | 7.4682 |
| EUR/NOK | 11.782 |
| EUR/CHF | 0.9365 |
| EUR/AUD | 1.756  |
| EUR/HKD | 9.0701 |
| EUR/CAD | 1.6114 |

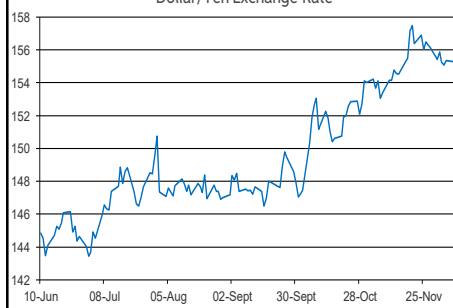
## Sterling

|         |         |
|---------|---------|
| GBP/EUR | 1.1434  |
| GBP/USD | 1.3329  |
| GBP/CAD | 1.842   |
| GBP/NZD | 2.3051  |
| GBP/JPY | 206.99  |
| GBP/SEK | 12.5261 |
| GBP/DKK | 8.5359  |
| GBP/NOK | 13.4689 |
| GBP/CHF | 1.0702  |
| GBP/AUD | 2.0066  |

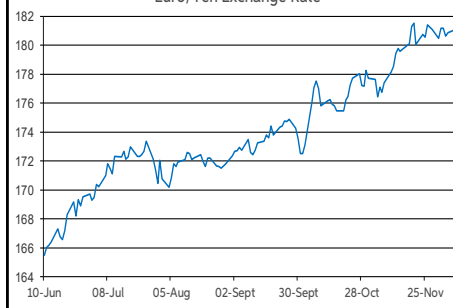
## Dollar

|         |        |
|---------|--------|
| USD/JPY | 155.29 |
| USD/CAD | 1.3826 |
| USD/CHF | 0.8032 |
| USD/CNY | 7.0692 |
| USD/BRL | 5.439  |
| USD/RUB | 76.7   |
| USD/INR | 90.17  |
| AUD/USD | 0.6642 |
| NZD/USD | 0.5777 |

Dollar/Yen Exchange Rate

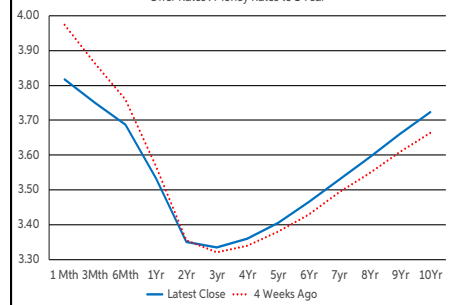


Euro/Yen Exchange Rate



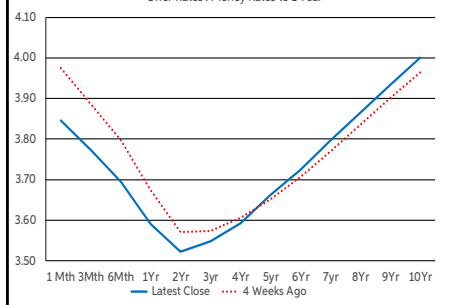
US Swap Curve

Offer Rates : Money Rates to 1 Year



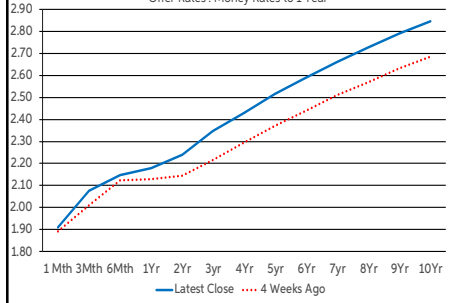
UK Swap Curve

Offer Rates : Money Rates to 1 Year

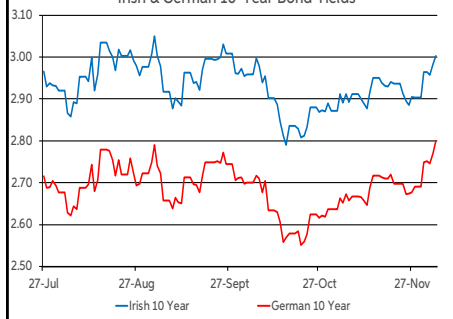


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

|   | Close | Change bps |         |        |
|---|-------|------------|---------|--------|
|   |       | Day        | 4 Weeks | End 24 |
| <b>10 Year Yield %</b>                                  |       |            |         |        |
| US  | 4.14  | +3         | +5      | -44    |
| Germany   | 2.80  | +3         | +13     | +44    |
| UK  | 4.48  | +4         | +1      | -9     |
| Ireland   | 3.00  | +2         | +9      | +35    |
| Belgium   | 3.31  | +1         | +9      | +32    |
| France  | 3.53  | +1         | +7      | +33    |
| Italy   | 3.49  | +2         | +6      | -3     |
| Spain   | 3.27  | +2         | +8      | +20    |
| Portugal  | 3.12  | +2         | +9      | +27    |
| Greece  | 3.39  | +0         | +7      | +15    |
| <b>5 Year Swap %</b>                                    |       |            |         |        |
| US  | 3.65  | +5         | +6      | -64    |
| Eurozone  | 2.50  | +4         | +14     | +27    |
| UK  | 3.91  | +5         | +2      | -38    |
| <b>2 Year Swap %</b>                                    |       |            |         |        |
| US  | 3.61  | +5         | +2      | -72    |
| Eurozone  | 2.23  | +4         | +10     | +4     |
| UK  | 3.78  | +4         | -3      | -71    |
| <b>10 Year Government Bond Spreads to Benchmark bps</b> |       |            |         |        |
| Ireland   | 20    | -1         | -4      | -8     |
| Belgium   | 51    | -2         | -4      | -11    |
| France  | 73    | -2         | -6      | -10    |
| Italy   | 69    | -1         | -7      | -46    |
| Spain   | 47    | -1         | -5      | -24    |
| Portugal  | 32    | -1         | -4      | -16    |
| Greece  | 59    | -3         | -7      | -29    |

## Commodities

|                | Close  | % Change |         |        |
|----------------|--------|----------|---------|--------|
|                |        | Day      | 4 Weeks | End 24 |
| Brent Oil      | 63.75  | +0.77    | +0.19   | -14.59 |
| West Texas Oil | 71.65  | -0.17    | -1.90   | -1.27  |
| Gold \$        | 4196.5 | -0.27    | +4.95   | +59.94 |

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