

Limited macro calendar this week

There was a jam-packed macro calendar throughout last week. Most notably, a raft of key central bank meetings took place. The ECB kept policy on hold, the BoE cut rates by 25bps in a close vote, and the BoJ hiked rates by 25bps to 0.75%, their highest level in over 30 years. All three decisions were in-line with market expectations.

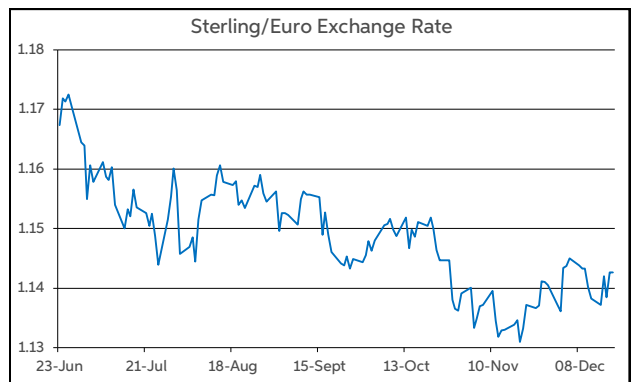
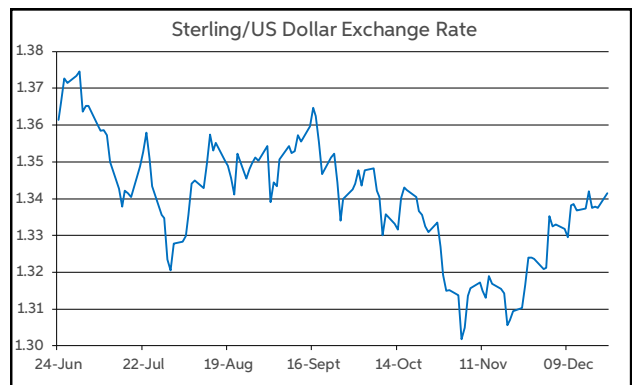
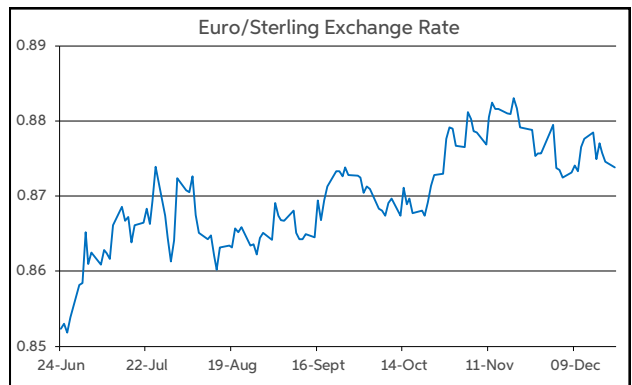
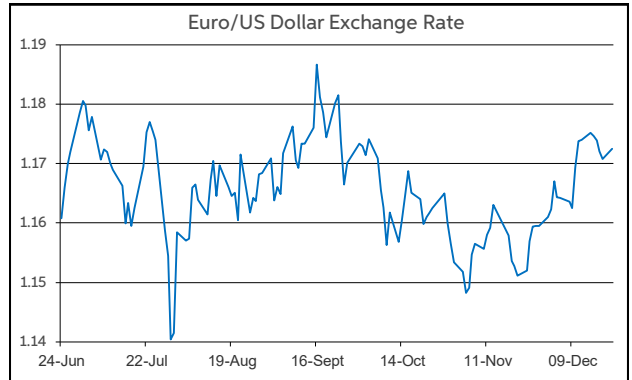
Meanwhile, on the data front, the US labour market report for November was mixed. The unemployment rate rose to 4.6% but payrolls growth (+64k) was stronger than anticipated. Elsewhere, US CPI inflation dropped sharply to 2.6% in November but the survey appears to have been impacted by the Government shutdown. UK CPI inflation also fell markedly in November to 3.2%, while headline inflation in the Eurozone was revised lower, to 2.1% from 2.2%.

Against this backdrop, UK interest rate futures contracts firmed somewhat. Futures contracts indicate that the market is not fully pricing in another UK rate cut until June, and a total of just 35bps of policy easing is expected next year. In contrast, US futures contracts softened marginally last week. Markets now see around a 90% chance of a rate cut in April. Around 60bps of rate cuts are expected next year. In the Eurozone, the market is of the view that interest rates will stay at their current level during 2026.

Currency-wise, the main FX pairs operated in relatively narrow ranges throughout the week. Of the moves to note, the yen was on the defensive. As trading gets underway this morning, EUR/GBP is near the midpoint of 87-88p. EUR/USD is in the lower half of the \$1.17-1.18 corridor. USD/JPY is close to the halfway mark of the ¥157-158 band.

Already this morning, the second reading of UK GDP has confirmed that the economy expanded by a 0.1% q/q in Q3. The remainder of today's calendar is quite sparse. However, later in the week, US GDP for Q3 and industrial production for November will be released.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1727	0.07	13.27
EUR/GBP	0.8738	-0.25	5.62
GBP/USD	1.3415	0.31	7.23
GBP/EUR	1.1437	0.25	-5.32
USD/JPY	157.39	0.90	0.13
EUR/JPY	184.61	0.98	13.43

* 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	3.63	3.74	3.68	3.43	3.63	3.72
EUR	2.00	1.91	2.00	2.18	2.31	2.62
GBP	3.75	3.72	3.72	3.56	3.77	3.94

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

Monday 22 December 2025
07:50 am



Euro

EUR/GBP	0.8738
EUR/USD	1.1728
EUR/JPY	184.57
EUR/SEK	10.8494
EUR/DKK	7.4706
EUR/NOK	11.8527
EUR/CHF	0.9317
EUR/AUD	1.766
EUR/HKD	9.1234
EUR/CAD	1.6165

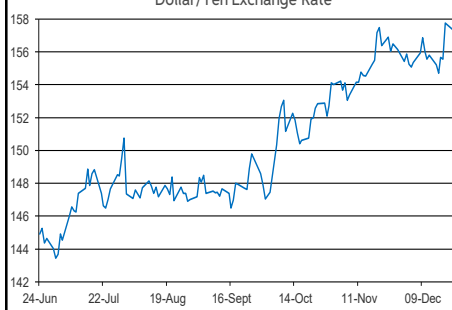
Sterling

GBP/EUR	1.1438
GBP/USD	1.3417
GBP/CAD	1.849
GBP/NZD	2.3196
GBP/JPY	211.13
GBP/SEK	12.4062
GBP/DKK	8.5425
GBP/NOK	13.5541
GBP/CHF	1.0656
GBP/AUD	2.0202

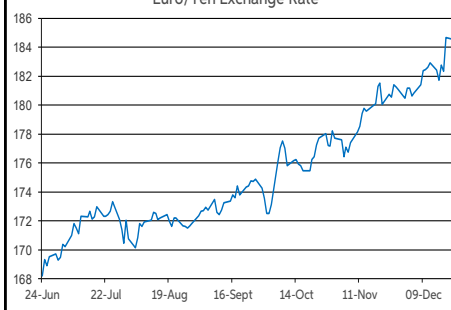
Dollar

USD/JPY	157.36
USD/CAD	1.3783
USD/CHF	0.7945
USD/CNY	7.0374
USD/BRL	5.5425
USD/RUB	79.65
USD/INR	89.575
AUD/USD	0.6638
NZD/USD	0.578

Dollar/Yen Exchange Rate

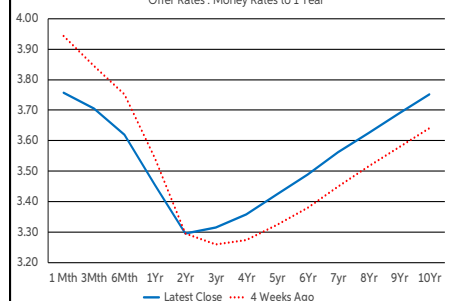


Euro/Yen Exchange Rate



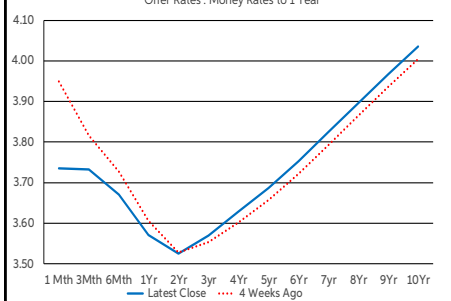
US Swap Curve

Offer Rates : Money Rates to 1 Year



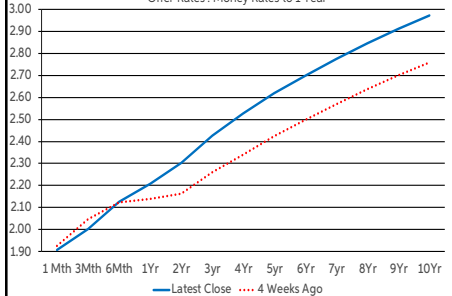
UK Swap Curve

Offer Rates : Money Rates to 1 Year

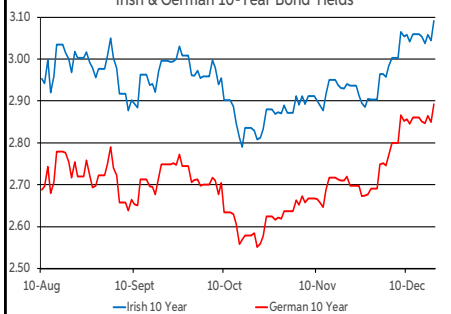


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.15	+4	+9	-43
Germany	2.89	+4	+19	+53
UK	4.53	+5	-2	-4
Ireland	3.09	+5	+15	+44
Belgium	3.39	+6	+13	+41
France	3.61	+6	+14	+42
Italy	3.55	+5	+8	+3
Spain	3.33	+5	+12	+26
Portugal	3.19	+5	+14	+34
Greece	3.48	+2	+15	+23
5 Year Swap %				
US	3.65	+4	+9	-64
Eurozone	2.60	+3	+19	+36
UK	3.94	+3	+3	-34
2 Year Swap %				
US	3.56	+2	+2	-77
Eurozone	2.29	+1	+13	+10
UK	3.77	+1	-1	-72
10 Year Government Bond Spreads to Benchmark bps				
Ireland	20	+0	-4	-9
Belgium	50	+1	-7	-12
France	72	+1	-6	-11
Italy	65	+0	-11	-50
Spain	43	+1	-8	-27
Portugal	30	+0	-6	-19
Greece	59	-2	-4	-29

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	60.47	+1.09	-3.34	-18.98
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4338.0	+0.14	+6.71	+65.33

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