Morning Comment

AIB Treasury Economic Research Unit

Thursday 21 August 2025
07:39 am

Flash PMIs for August due today

There was a cautious tone to investor sentiment yesterday, amid another relatively quiet day on markets. A limited macro calendar once again likely contributed to the muted price action. Overall, this saw the Euro Stoxx 50 and the S&P 500 edge 0.2% lower yesterday. Meantime, on bond markets, yields fell across the board. Benchmark German Bund, US Treasury and UK Gilt yields declined by 4-7bps.

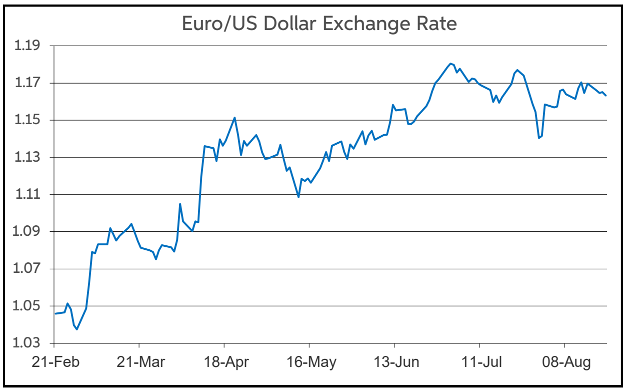
On the monetary policy front, the Fed FOMC meeting minutes from the July gathering provided little new insights for investors to digest. Thus, the market reaction was limited. Similarly, before the release, the markets also had a muted reaction to calls from President Trump for Fed Governor Cook to resign, amid accusations she committed mortgage fraud. Cook has since announced that she will not be stepping down.

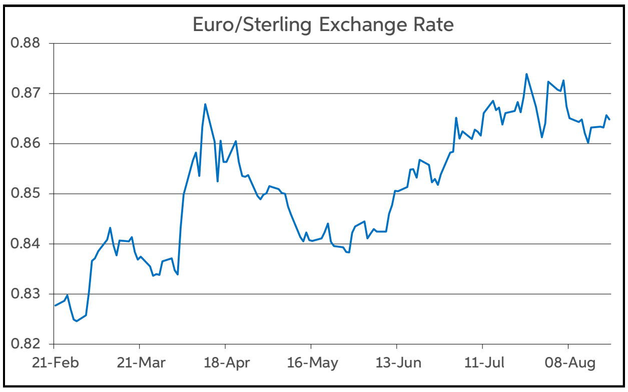
Currency-wise, the main FX pairs have operated in fairly tight ranges over the past 24 hours. Of the sparse moves to note, sterling has been under some slight downward pressure. The pound is circa 0.2% weaker versus the euro and the dollar.

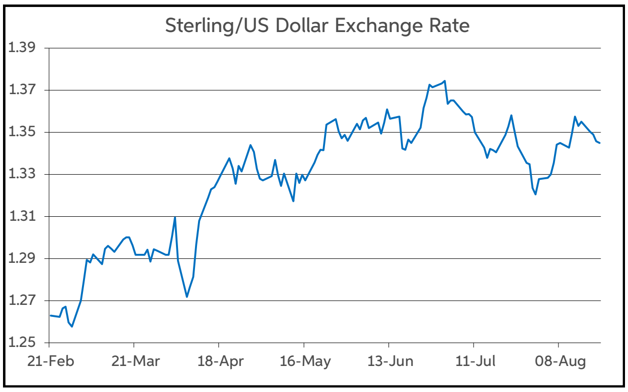
In level terms, this sees EUR/GBP open today up at the midpoint of the 86-87p corridor. Elsewhere, GBP/USD is at the halfway mark of the $1.34-1.35 trading band. EUR/USD remains in the lower half of $1.16-1.17, having operated in a narrow $1.162-1.168 since yesterday's European open. USD/JPY remains in the heart of ¥147-148.

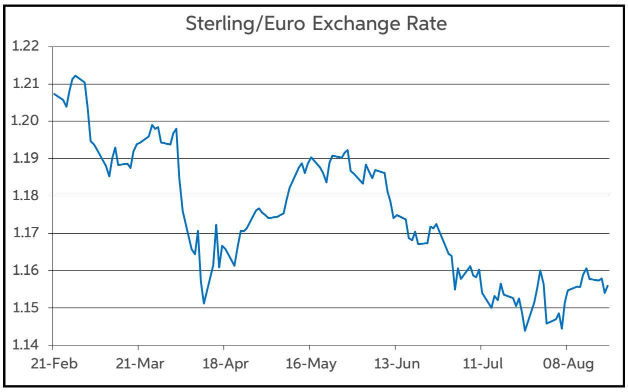
Turning to the day ahead, there is a busier look to the data calendar. The flash PMIs for August in the Eurozone, UK and US are due. Across the board, the services sector is forecast to continue to outperform manufacturing. Elsewhere, the flash reading of Eurozone consumer confidence for August is projected to be little changed, at -14.9 in the month.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.1633	-0.01	12.36
EUR/GBP	0.8648	0.19	4.53
GBP/USD	1.3449	-0.17	7.50
GBP/EUR	1.156	-0.19	-4.34
USD/JPY	147.49	-0.05	-6.16
EUR/JPY	171.58	-0.07	5.43

* 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	4.38	4.31	4.20	3.82	3.79	3.74
EUR	2.00	1.92	2.03	2.05	2.08	2.33
GBP	4.00	3.96	3.96	3.83	3.95	4.03

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

CONTACTS

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aib.corporatetreasury@aib.ie		
aib.ie/fxcentre	aibgb.co.uk/fxcentre	aibni.co.uk/fxcentre

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Opening Levels

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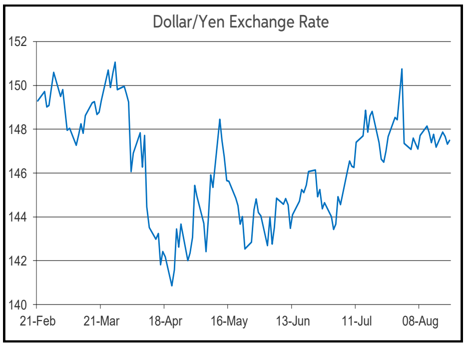
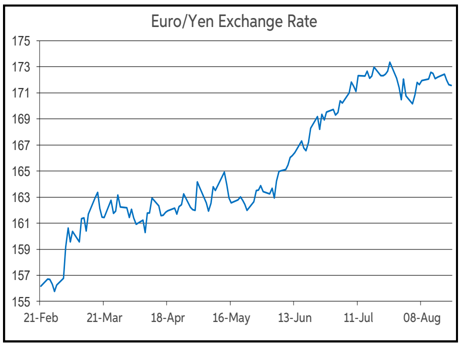
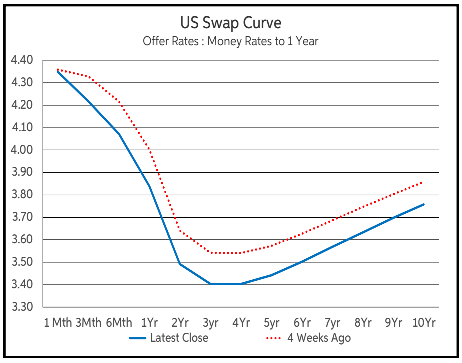
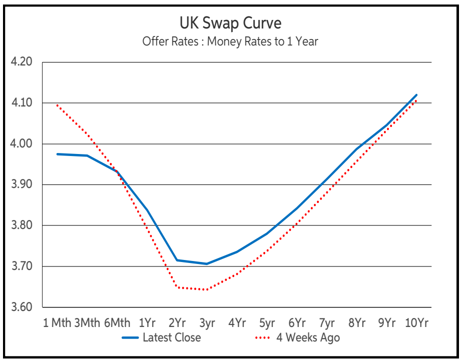
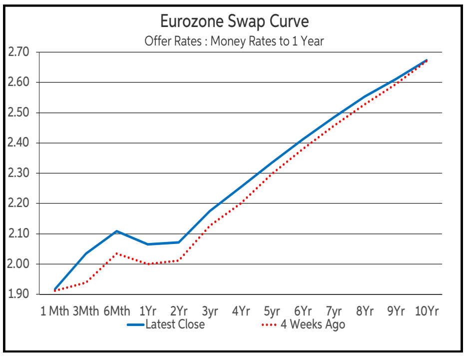
Euro		Sterling		Dollar	
EUR/GBP	0.8648	GBP/EUR	1.156	USD/JPY	147.49
EUR/USD	1.1633	GBP/USD	1.3449	USD/CAD	1.3877
EUR/JPY	171.58	GBP/CAD	1.8657	USD/CHF	0.8061
EUR/SEK	11.1678	GBP/NZD	2.3093	USD/CNY	7.1762
EUR/DKK	7.4644	GBP/JPY	198.36	USD/BRL	5.4747
EUR/NOK	11.8986	GBP/SEK	12.9083	USD/RUB	80.1
EUR/CHF	0.9378	GBP/DKK	8.6268	USD/INR	86.9625
EUR/AUD	1.8105	GBP/NOK	13.748		
EUR/HKD	9.085	GBP/CHF	1.0838	AUD/USD	0.6423
EUR/CAD	1.614	GBP/AUD	2.0928	NZD/USD	0.582

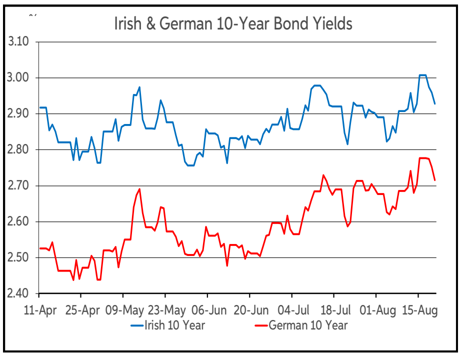












Debt Markets

	Close	Change bps Day	4 Weeks	End 24
10 Year Yield %				
US	4.30	-1	-9	-28
Germany	2.72	-4	+12	+35
UK	4.67	-7	+4	+10
Ireland	2.97	-3	+5	+32
Belgium	3.25	-3	+11	+27
France	3.41	-3	+14	+22
Italy	3.55	-3	+9	+3
Spain	3.30	-3	+9	+23
Portugal	3.13	-3	+9	+28
Greece	3.40	-4	+10	+15
5 Year Swap %				
US	3.70	-1	-11	-59
Eurozone	2.32	-3	+3	+8
UK	4.02	-6	+2	-26
2 Year Swap %				
US	3.75	-0	-12	-58
Eurozone	2.07	-2	+6	-13
UK	3.94	-5	+4	-55
10 Year Government Bond Spreads to Benchmark bps				
Ireland	25	+1	-6	-3
Belgium	54	+1	-1	-8
France	70	+1	+2	-13
Italy	84	+0	-3	-32
Spain	58	+1	-2	-12
Portugal	41	+1	-2	-7
Greece	69	+0	-2	-20

Commodities

	Close	% Change Day	4 Weeks	End 24
Brent Oil	66.84	+1.60	-2.44	-10.45
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	3346.8	+0.95	-1.20	+27.55

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