Morning Comment

AIB Treasury Economic Research Unit

Tuesday 28 October 2025
07:27 am

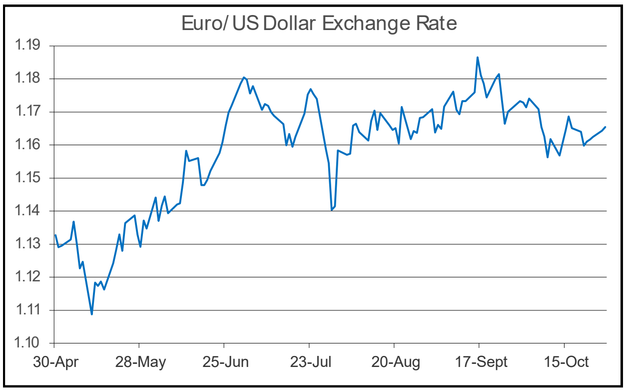
Central Banks and US/China talks in focus this week

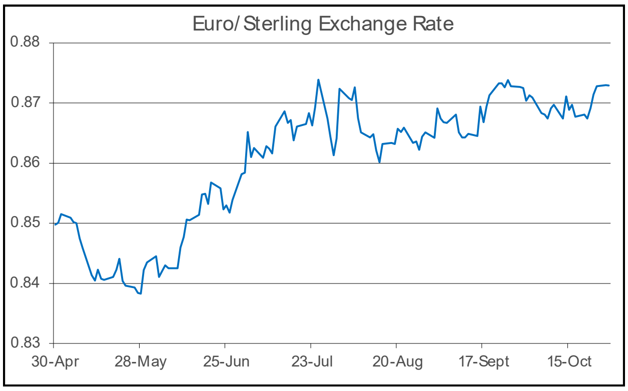
Risk appetite started the week on a positive footing yesterday. Optimism that the scheduled meeting, later this week, between US President Trump and Chinese President Xi would result in a trade agreement, helped to underpin investor sentiment. At the close on Wall Street last night, the S&P 500 was 1.2% higher on the day.

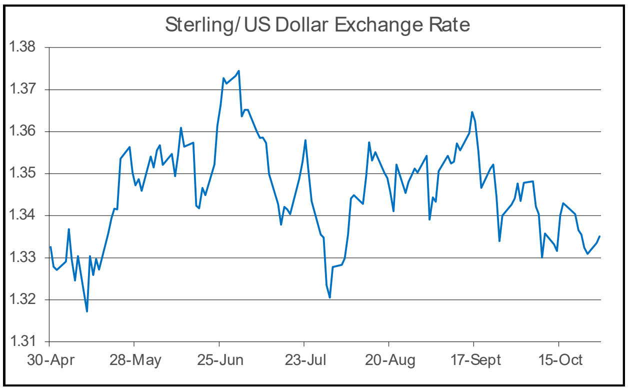
Yesterday's macro diary was quiet on both sides of the Atlantic. As a result, the main FX pairs tended to trade within narrow ranges. The dollar is modestly softer over the past 24 hours versus the euro and sterling. Meanwhile, overnight, the yen has made some gains. This coincided with a government minister stating that they will be monitoring the impact of a weak currency on the economy. In level terms, EUR/USD opens this morning at the midpoint of $1.16-1.17, while GBP/USD is operating at the halfway mark of $1.33-1.34. The firmer yen is reflected in USD/JPY trading back near to the ¥152 threshold. Elsewhere, EUR/GBP starts the European session holding onto its position above the 87p handle.

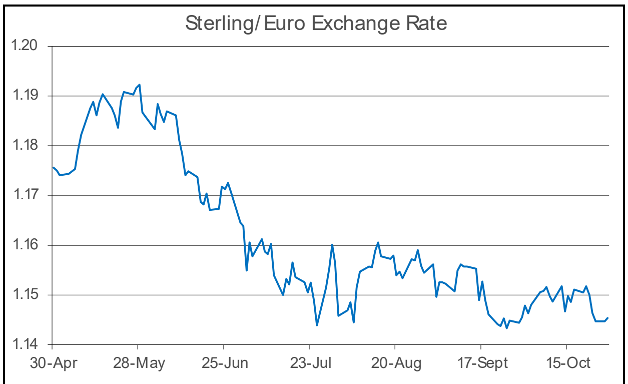
Looking ahead to the remainder of this week's macro diary, there is a 'monetary policy' theme to proceedings with some top tier central bank meetings taking place. The main highlight is likely to be the US Fed policy decision (Wednesday evening). The market is expecting a second consecutive 25bps cut. This would see the fed funds rate lowered to a 3.75-4.00% range. The statement and Fed Chair Powell's press conference will be looked to, for confirmation that another rate cut is on the cards for the last meeting of the year in December. The ECB and BoJ meetings are anticipated to see both their respective rate settings left unaltered. From a data perspective, with the US calendar continuing to be impacted by the government shutdown, it's up to the Eurozone diary to fill the vacuum. In this regard, the first reading of Q3 GDP, flash HICP inflation (Oct) and the EC sentiment indices (also Oct) will be of interest.

John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/ USD	1.1655	0.25	12.58
EUR/ GBP	0.8729	0.03	5.51
GBP/ USD	1.3351	0.26	6.71
GBP/ EUR	1.1453	-0.03	-5.22
USD/ JPY	152.15	-0.63	-3.20
EUR/ JPY	177.37	-0.37	8.98

* 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	4.13	3.96	3.84	3.49	3.55	3.57
EUR	2.00	1.86	2.07	2.13	2.14	2.34
GBP	4.00	3.91	3.87	3.65	3.80	3.86

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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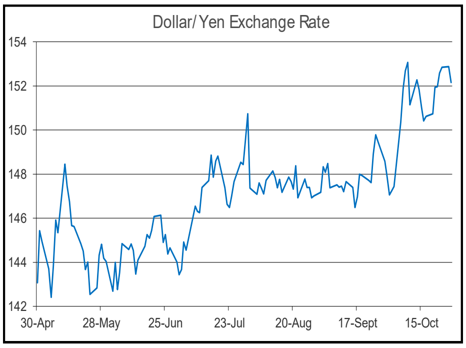
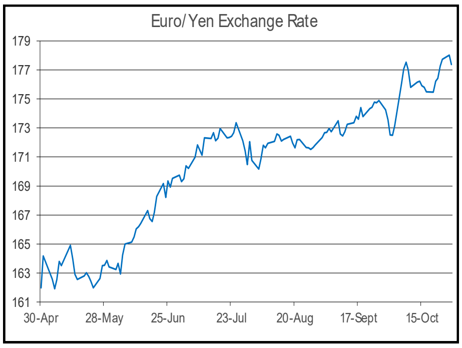
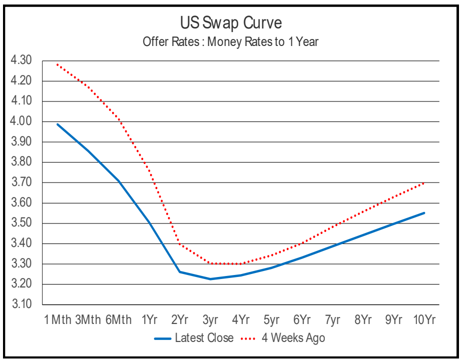
Euro	
EUR/ GBP	0.8729
EUR/ USD	1.1655
EUR/ JPY	177.37
EUR/ SEK	10.9223
EUR/ DKK	7.469
EUR/ NOK	11.6346
EUR/ CHF	0.9261
EUR/ AUD	1.7788
EUR/ HKD	9.0547
EUR/ CAD	1.6318

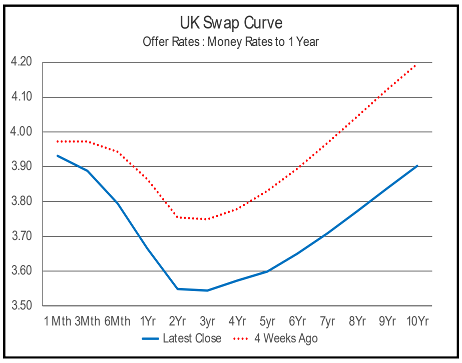
Sterling	
GBP/ EUR	1.1453
GBP/ USD	1.3351
GBP/ CAD	1.8686
GBP/ NZD	2.313
GBP/ JPY	203.14
GBP/ SEK	12.5101
GBP/ DKK	8.552
GBP/ NOK	13.3244
GBP/ CHF	1.0608
GBP/ AUD	2.0367

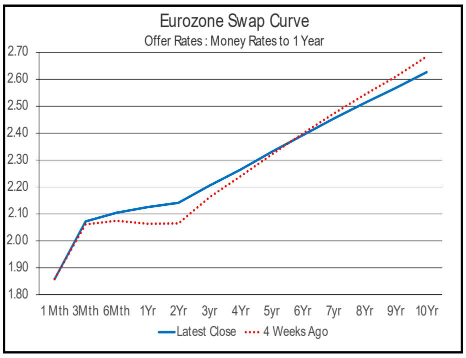
Dollar	
USD/ JPY	152.15
USD/ CAD	1.3999
USD/ CHF	0.7943
USD/ CNY	7.0989
USD/ BRL	5.377
USD/ RUB	79.8
USD/ INR	88.27
AUD/ USD	0.6551
NZD/ USD	0.5767

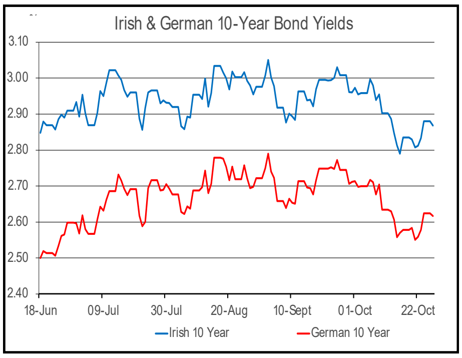












Debt Markets

	Close	Change bps Day	4 Weeks	End 24
10 Year Yield %				
US	4.00	+0	-14	-58
Germany	2.62	-1	-9	+25
UK	4.40	-4	-30	-17
Ireland	2.87	-1	-9	+22
Belgium	3.18	-2	-9	+20
France	3.42	-2	-11	+22
Italy	3.40	-2	-16	-13
Spain	3.14	-2	-12	+8
Portugal	3.00	-2	-13	+15
Greece	3.29	-1	-12	+4
5 Year Swap %				
US	3.54	-1	-11	-75
Eurozone	2.31	-1	-7	+8
UK	3.85	-1	-22	-43
2 Year Swap %				
US	3.51	+0	-15	-82
Eurozone	2.11	-0	-5	-8
UK	3.80	+0	-21	-69
10 Year Government Bond Spreads to Benchmark bps				
Ireland	25	-0	-0	-3
Belgium	56	-1	+0	-6
France	80	-1	-2	-3
Italy	78	-1	-7	-38
Spain	52	-1	-3	-18
Portugal	38	-1	-4	-11
Greece	67	+0	-3	-21

Commodities

	Close	% Change Day	4 Weeks	End 24
Brent Oil	65.62	-0.49	-3.46	-12.08
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	3980.5	-3.19	+3.83	+51.71