

Powell's speech in focus this week

Looking back over the action on currency markets last week, the moves involving EUR/USD, EUR/GBP and GBP/USD were within relatively narrow ranges. Within these confined corridors though, there was some sensitivity to key data releases.

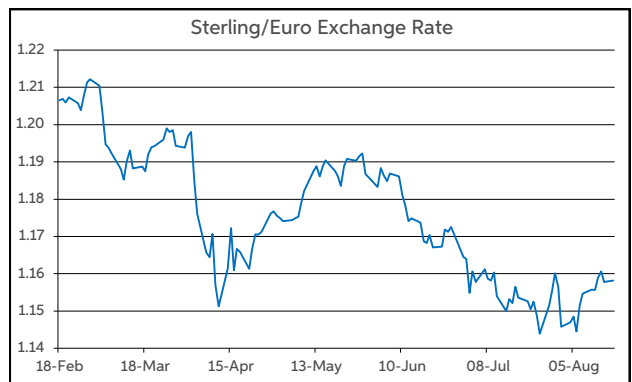
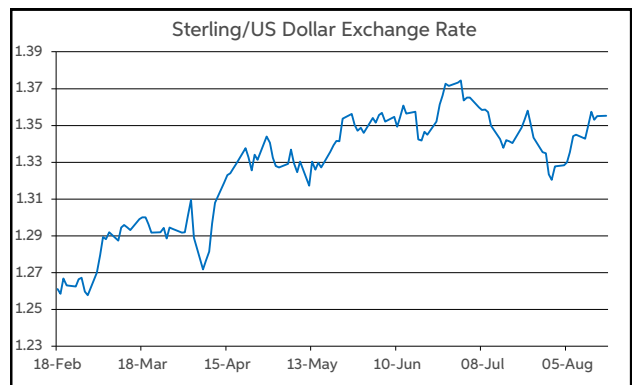
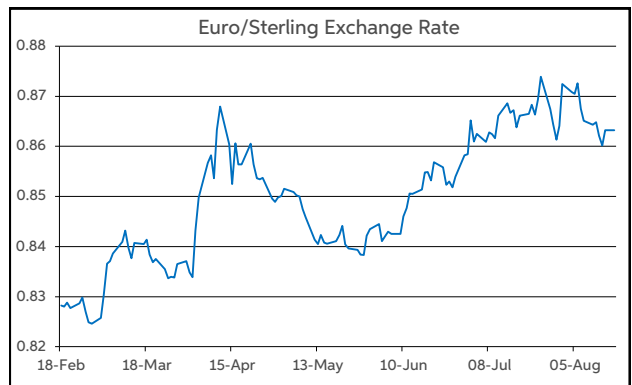
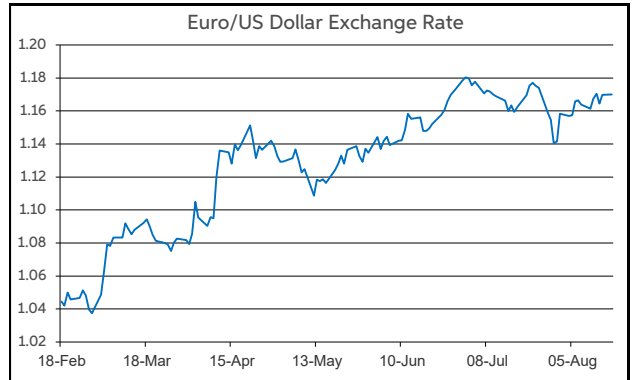
From a dollar viewpoint, the lack of any clear signs in the July CPI inflation data of 'tariff' related impact saw a softening in US rate expectations and pushed the dollar lower, with EUR/USD reaching a high of \$1.173. However, the subsequent release of PPI inflation numbers for July indicated some tariff pressures at the producer/business level which in turn resulted in the dollar regaining some ground on the exchanges. Meanwhile, the better than expected print from UK GDP for Q2 provided sterling with some upward momentum. Elsewhere, a very sparse Eurozone macro diary, meant the euro had no directional drivers last week.

As trading gets underway this morning, sterling opens marginally firmer versus the euro and dollar compared to last Monday's starting levels. EUR/GBP is operating in the lower half of 86-87p, while GBP/USD is at the midpoint of \$1.35-1.36. Meanwhile, EUR/USD is changing hands at the \$1.17 threshold.

Ahead this week, the macro diary features the flash PMI's for August from the US, Eurozone and UK. These surveys will provide an update on how activity levels in the manufacturing and services sectors are performing midway through Q3. A busy UK calendar also features CPI inflation and retail sales (both July).

On the monetary policy front, the focus will be on Fed Chair Powell's speech (Friday) at the Jackson Hole Economic Symposium. A key point of interest will be his assessment of the recent weak payroll data and what this means for the potential for a rate cut at the Fed's next meeting in September.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1701	0.33	13.02
EUR/GBP	0.8632	0.29	4.34
GBP/USD	1.3551	0.03	8.31
GBP/EUR	1.158	-0.29	-4.16
USD/JPY	147.42	0.19	-6.21
EUR/JPY	172.5	0.52	5.99

* 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	4.33	4.20	3.82	3.79	3.76
EUR	2.00	1.90	2.03	2.08	2.12	2.40
GBP	4.00	3.96	3.96	3.83	3.98	4.06

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 18 August 2025
07:18 am



Euro

EUR/GBP	0.8632
EUR/USD	1.1701
EUR/JPY	172.5
EUR/SEK	11.1817
EUR/DKK	7.4632
EUR/NOK	11.9354
EUR/CHF	0.9433
EUR/AUD	1.7961
EUR/HKD	9.1557
EUR/CAD	1.6153

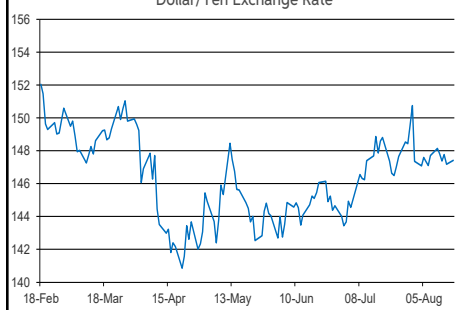
Sterling

GBP/EUR	1.1582
GBP/USD	1.3553
GBP/CAD	1.8707
GBP/NZD	2.2824
GBP/JPY	199.77
GBP/SEK	12.9487
GBP/DKK	8.641
GBP/NOK	13.815
GBP/CHF	1.0924
GBP/AUD	2.0796

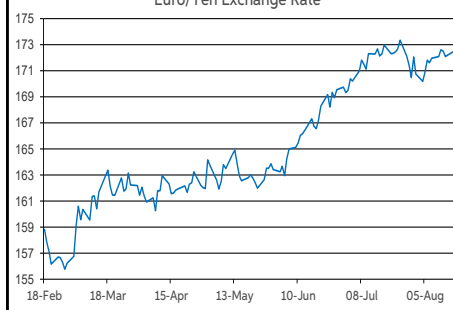
Dollar

USD/JPY	147.4
USD/CAD	1.3806
USD/CHF	0.8062
USD/CNY	7.1812
USD/BRL	5.4005
USD/RUB	80.2
USD/INR	87.405
AUD/USD	0.6513
NZD/USD	0.5934

Dollar/Yen Exchange Rate

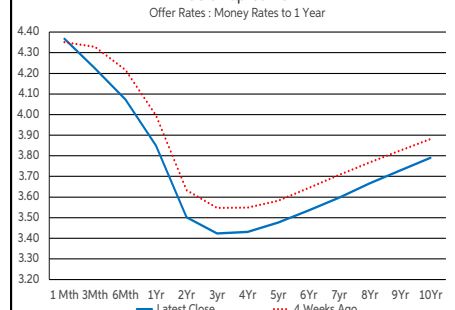


Euro/Yen Exchange Rate



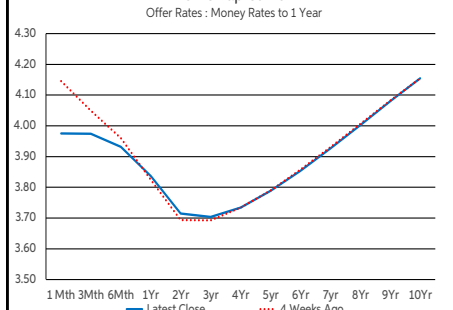
US Swap Curve

Offer Rates : Money Rates to 1 Year



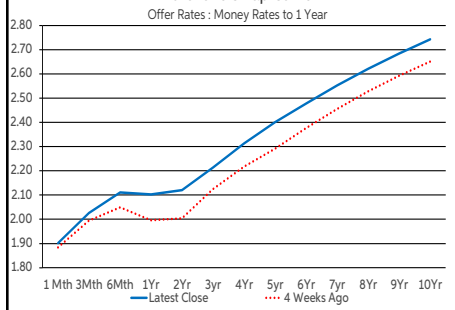
UK Swap Curve

Offer Rates : Money Rates to 1 Year

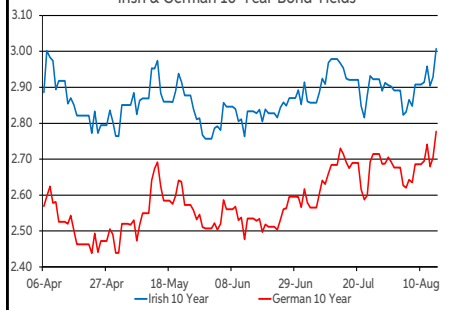


Eurozone Swap Curve

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	4.33	+4	-10	-25
Germany	2.78	+7	+9	+41
UK	4.70	+5	+2	+12
Ireland	3.03	+8	+7	+38
Belgium	3.32	+9	+7	+33
France	3.47	+9	+7	+27
Italy	3.52	+4	-6	-0
Spain	3.35	+8	+4	+28
Portugal	3.17	+8	+3	+32
Greece	3.36	+2	-5	+11
5 Year Swap %				
US	3.73	+2	-9	-56
Eurozone	2.37	+3	+8	+13
UK	4.01	+1	-2	-28
2 Year Swap %				
US	3.76	+2	-12	-57
Eurozone	2.09	+1	+9	-11
UK	3.94	+2	+2	-55
10 Year Government Bond Spreads to Benchmark bps				
Ireland	26	+0	-1	-3
Belgium	54	+2	-2	-8
France	69	+2	-2	-14
Italy	74	-3	-14	-42
Spain	57	+1	-5	-13
Portugal	39	+0	-6	-9
Greece	58	-6	-13	-31

Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	65.85	-1.48	-4.95	-11.78
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3335.0	-0.02	-0.43	+27.10

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