

Focus turns to Jackson Hole

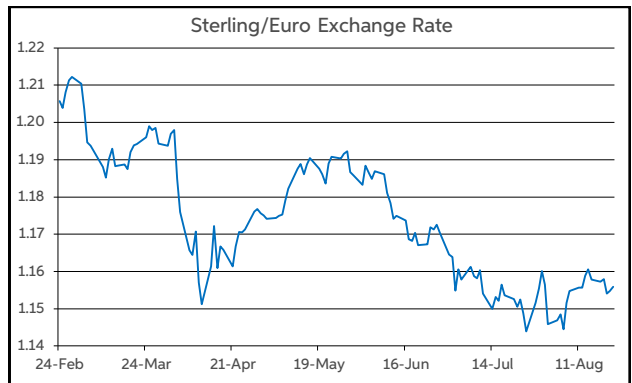
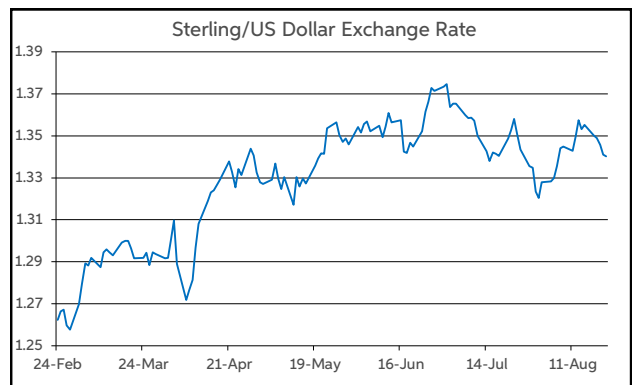
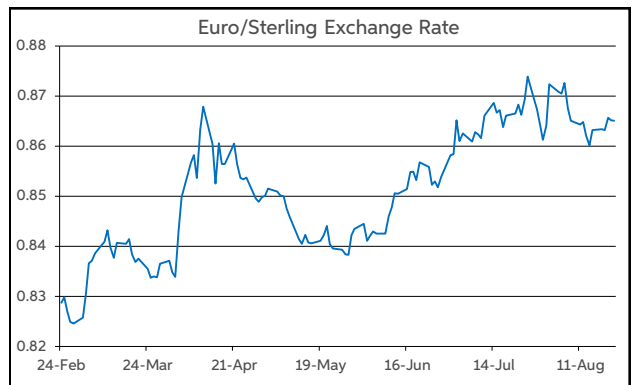
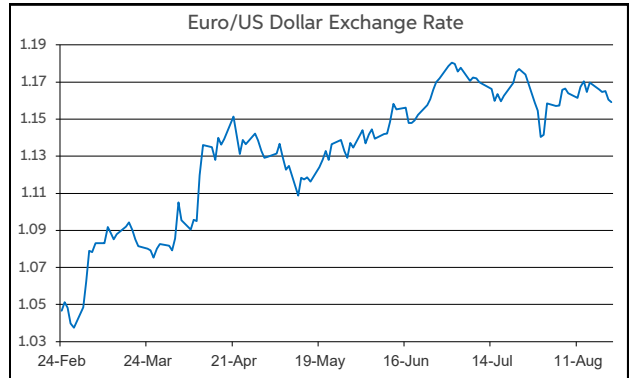
The cautious mood on markets persisted yesterday. For a second consecutive day the Euro Stoxx 50 fell by 0.2%. Meanwhile the S&P moved 0.4% lower. On bond markets, benchmark sovereign yields rose by 4-5bps. The move in yields coincided with a slight firming in market rate expectations across the board. Rate expectations firmed amid some hawkish remarks from Fed officials and solid PMI data for August. The announcement of a formal trade deal between the EU and US had no major impact on markets yesterday.

The flash PMIs in the Eurozone, UK and US printed broadly ahead of expectations in August. In the Eurozone, both sectors came in just above the key 50 mark. Meanwhile, in the UK, the services PMI jumped to 53.6 (vs. 51.8 f'cast), although the manufacturing reading was a touch softer than anticipated. In contrast, the US manufacturing PMI surged to 53.3 (vs. 49.5 f'cast) while the services sector also remained comfortably in expansion mode. Meantime, Fed officials Schmid and Bostic both noted that further data is likely needed before the Fed will start to lower rates.

Against this backdrop, the dollar was holding the upper hand on the exchanges. The greenback gained around 0.4% versus the euro and sterling, and rose by 0.7% against the yen. As trading gets underway this morning, this sees EUR/USD open back below the \$1.16 mark. GBP/USD is down at the \$1.34 handle. USD/JPY is near the midpoint of ¥148-149. EUR/GBP continues at the halfway mark of 86-87p.

Turning to the day ahead, the focus will be on Fed Chair Powell's speech at the Jackson Hole Economic Symposium. Investors will be paying very close attention to his remarks for any guidance on potential rate cuts between now and year end. Current market pricing suggests the Fed may cut rates twice by the end of the year. Elsewhere, today's data schedule is sparse on both sides of the Atlantic.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1593	-0.45	11.98
EUR/GBP	0.865	-0.06	4.56
GBP/USD	1.3401	-0.36	7.11
GBP/EUR	1.1559	0.06	-4.36
USD/JPY	148.42	0.72	-5.57
EUR/JPY	172.09	0.28	5.74

* 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	4.31	4.21	3.85	3.82	3.78
EUR	2.00	1.91	2.03	2.07	2.12	2.38
GBP	4.00	3.96	3.97	3.86	3.99	4.08

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

Friday 22 August 2025
07:44 am



Euro

EUR/GBP	0.8649
EUR/USD	1.1593
EUR/JPY	172.1
EUR/SEK	11.1699
EUR/DKK	7.4639
EUR/NOK	11.8197
EUR/CHF	0.9384
EUR/AUD	1.8057
EUR/HKD	9.0585
EUR/CAD	1.6128

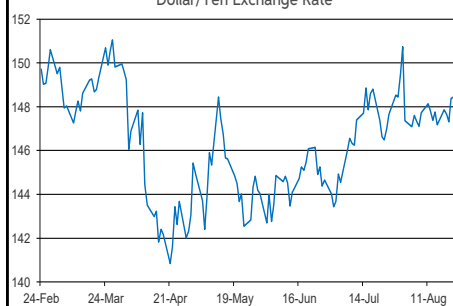
Sterling

GBP/EUR	1.1557
GBP/USD	1.3399
GBP/CAD	1.8642
GBP/NZD	2.3074
GBP/JPY	198.88
GBP/SEK	12.9118
GBP/DKK	8.6262
GBP/NOK	13.658
GBP/CHF	1.0845
GBP/AUD	2.087

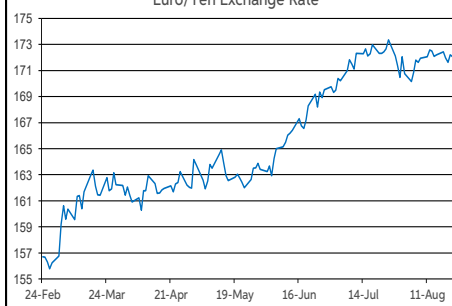
Dollar

USD/JPY	148.43
USD/CAD	1.3912
USD/CHF	0.8094
USD/CNY	7.1819
USD/BRL	5.4647
USD/RUB	80.3
USD/INR	87.43
AUD/USD	0.6417
NZD/USD	0.5804

Dollar/Yen Exchange Rate

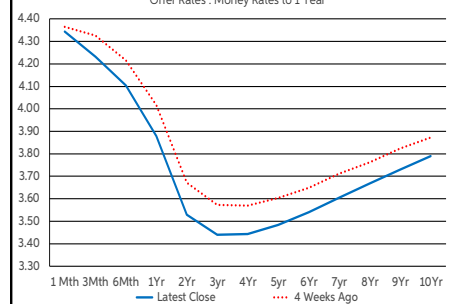


Euro/Yen Exchange Rate



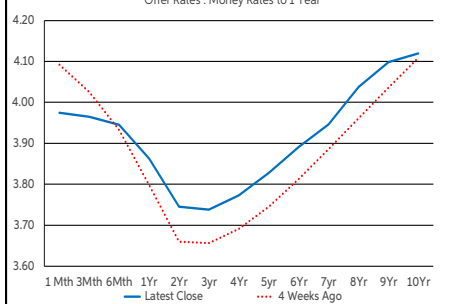
US Swap Curve

Offer Rates : Money Rates to 1 Year



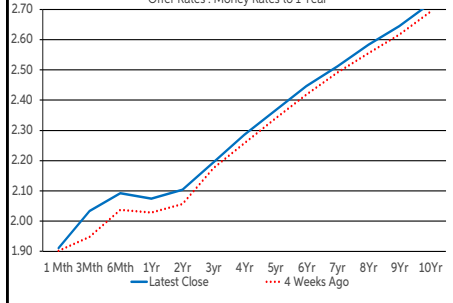
UK Swap Curve

Offer Rates : Money Rates to 1 Year

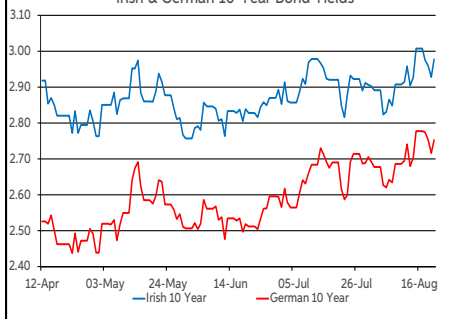


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.33	+4	-8	-25
Germany	2.75	+4	+6	+39
UK	4.73	+6	+10	+15
Ireland	3.02	+5	+6	+37
Belgium	3.31	+6	+7	+33
France	3.46	+5	+9	+27
Italy	3.61	+6	+4	+9
Spain	3.34	+5	+4	+28
Portugal	3.18	+5	+5	+33
Greece	3.45	+5	+5	+20
5 Year Swap %				
US	3.72	+2	-13	-57
Eurozone	2.36	+4	+3	+13
UK	4.07	+5	+8	-21
2 Year Swap %				
US	3.78	+1	-15	-56
Eurozone	2.10	+3	+5	-9
UK	3.99	+4	+10	-50
10 Year Government Bond Spreads to Benchmark bps				
Ireland	26	+1	-0	-2
Belgium	56	+2	+1	-6
France	71	+1	+3	-12
Italy	85	+2	-2	-30
Spain	59	+1	-2	-11
Portugal	42	+1	-1	-6
Greece	69	+1	-1	-19

Commodities

	Close	Day	4 Weeks	End 24
% Change				
Brent Oil	67.67	+1.24	-2.18	-9.34
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3338.5	-0.25	-0.87	+27.24

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