

UK Budget boosts sterling

Trading conditions were calmer throughout last week compared to the week prior. A holiday shortened week in the US and a relatively sparse data schedule likely contributed to the quieter week on markets. At the same time, US market rate expectations softened somewhat. Against this backdrop, equity markets recouped some of their recent losses, with the Euro Stoxx 50 rising by 2.8%, while the S&P 500 gained 3.7% last week.

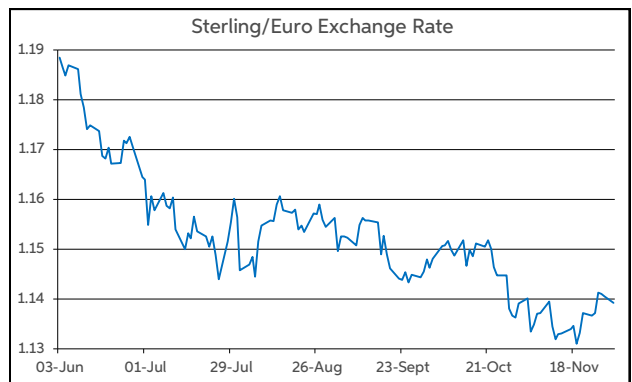
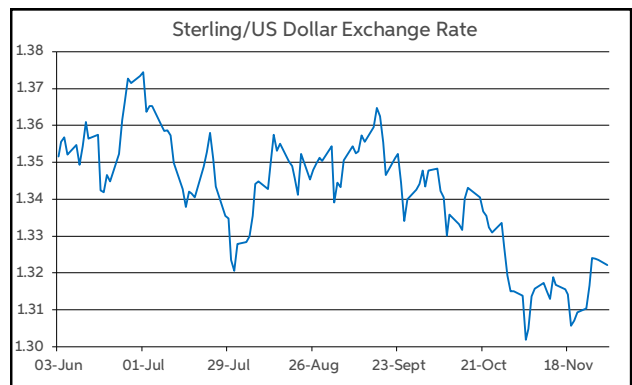
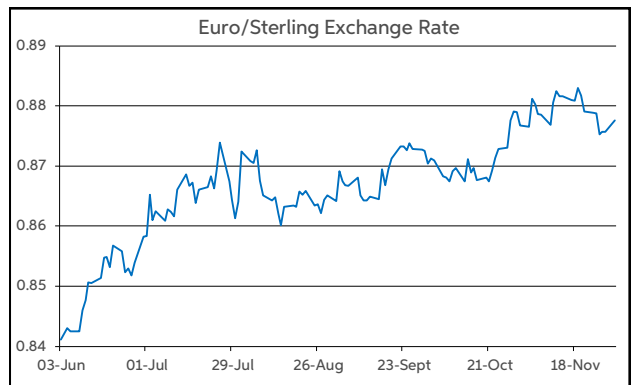
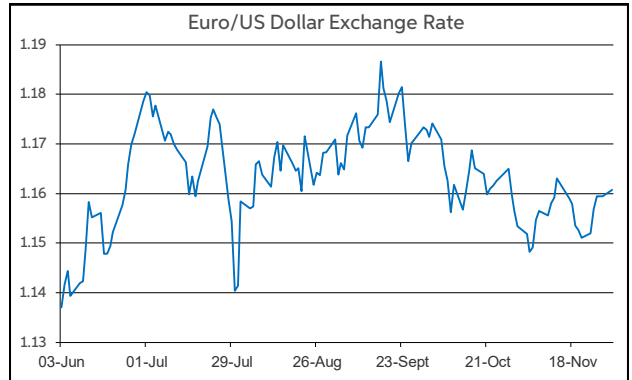
Data-wise, US retail sales and the Conference Board measure of consumer confidence both printed below expectations last week. This contributed to the softening in US futures contracts. Current pricing indicates there is around an 90% chance of a rate cut at the next meeting later this month, up from a circa 60% chance at the start of last week. Elsewhere, the main event of the week, the UK budget, provided little policy to boost productivity but was received well by markets, as the Chancellor increased the fiscal headroom to around £22bn, from close to £10bn.

Currency-wise, the dollar was under some downward pressure, due to the softening in US rate expectations. At the same time, sterling strengthened, amid the positive market reaction to the Budget.

In level terms, this sees EUR/USD open this morning up at the \$1.16 threshold. GBP/USD is changing hands above the \$1.32 handle, having been below \$1.31 last Monday. EUR/GBP is operating in the upper half of the 87-88p corridor. USD/JPY is near the midpoint of the ¥155-156 range.

Turning to the week ahead, a busy data calendar in the US includes the September reading of core-PCE inflation. Personal income/consumption data for the month, as well as a slew of US survey data are also due. In the Eurozone, the flash reading of HICP inflation for November will feature.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1607	0.18	12.11
EUR/GBP	0.8776	0.27	6.08
GBP/USD	1.3222	-0.08	5.68
GBP/EUR	1.1389	-0.27	-5.73
USD/JPY	155.42	-0.59	-1.12
EUR/JPY	180.42	-0.43	10.86

* 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	3.88	3.85	3.76	3.50	3.56	3.59
EUR	2.00	1.95	2.06	2.14	2.19	2.42
GBP	4.00	3.87	3.77	3.58	3.76	3.88

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 01 December 2025
07:25 am



Euro

EUR/GBP	0.8776
EUR/USD	1.1607
EUR/JPY	180.42
EUR/SEK	10.9647
EUR/DKK	7.4683
EUR/NOK	11.7431
EUR/CHF	0.9327
EUR/AUD	1.773
EUR/HKD	9.0401
EUR/CAD	1.6228

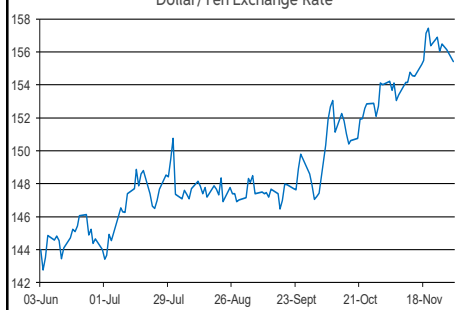
Sterling

GBP/EUR	1.1389
GBP/USD	1.3222
GBP/CAD	1.8483
GBP/NZD	2.3052
GBP/JPY	205.5
GBP/SEK	12.4883
GBP/DKK	8.5082
GBP/NOK	13.3621
GBP/CHF	1.0628
GBP/AUD	2.0191

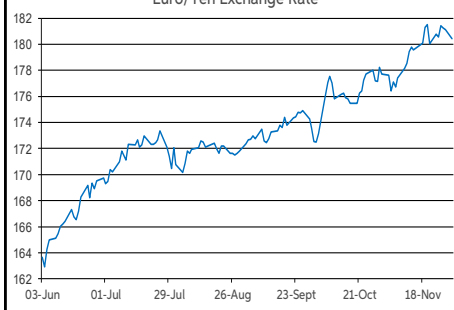
Dollar

USD/JPY	155.42
USD/CAD	1.3982
USD/CHF	0.8035
USD/CNY	7.0719
USD/BRL	5.3363
USD/RUB	77.6
USD/INR	89.665
AUD/USD	0.6546
NZD/USD	0.5733

Dollar/Yen Exchange Rate

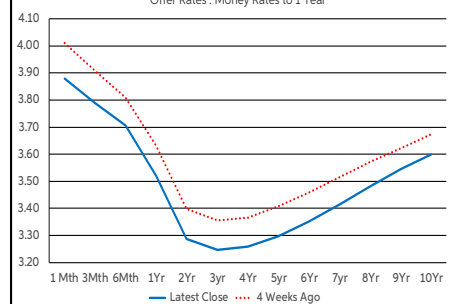


Euro/Yen Exchange Rate



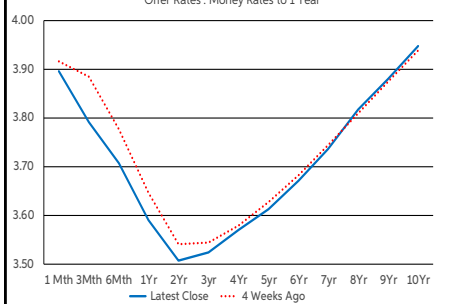
US Swap Curve

Offer Rates : Money Rates to 1 Year



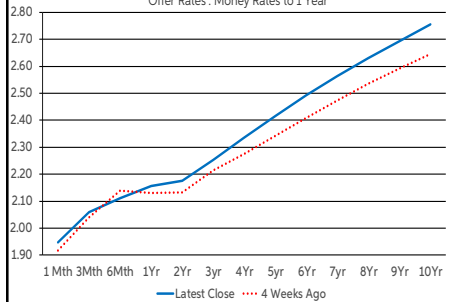
UK Swap Curve

Offer Rates : Money Rates to 1 Year

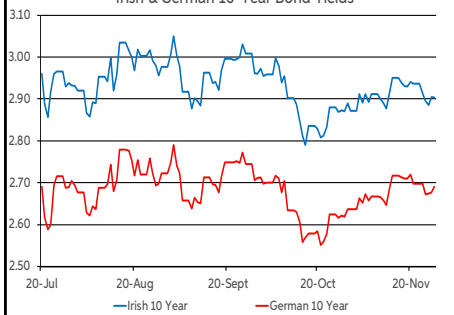


Eurozone Swap Curve

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	4.02	+2	-8	-56
Germany	2.69	+1	+5	+33
UK	4.44	-1	+3	-13
Ireland	2.90	-0	+3	+25
Belgium	3.19	+0	+3	+21
France	3.41	+0	-1	+22
Italy	3.40	+0	+2	-12
Spain	3.17	+0	+2	+10
Portugal	3.02	+1	+2	+17
Greece	3.31	+0	+2	+6
5 Year Swap %				
US	3.56	+3	-7	-73
Eurozone	2.41	+1	+8	+17
UK	3.87	-0	+1	-42
2 Year Swap %				
US	3.55	+2	-6	-78
Eurozone	2.17	+2	+4	-2
UK	3.75	-0	-2	-74
10 Year Government Bond Spreads to Benchmark bps				
Ireland	21	-1	-2	-7
Belgium	50	-1	-3	-12
France	72	-1	-6	-11
Italy	71	-1	-3	-44
Spain	47	-1	-3	-23
Portugal	32	-1	-4	-16
Greece	62	-1	-3	-27

Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	63.2	-0.22	-2.87	-15.33
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4230.4	+1.76	+5.71	+61.23

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