Morning Comment

AIB Treasury Economic Research Unit

Tuesday 02 December 2025
06:17 am

Cautious mood on markets

There was a cautious mood on markets at the start of the week. On equity markets, the Euro Stoxx 50 finished flat for the day. Meanwhile, at the closing bell on Wall Street, the S&P was down by 0.5%. In terms of fixed income, benchmark sovereign yields rose by 4-8bps in the Eurozone, UK and US.

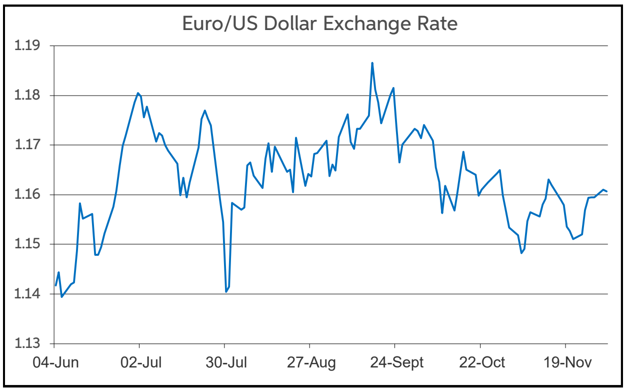
Data-wise, the macro calendar was quite sparse on both sides of the Atlantic. Indeed, the only release of any note was the US manufacturing ISM for November. The index printed slightly below the consensus, falling to 48.2 (vs. 49.0 f'cast). Furthermore, the underlying survey details indicated that price pressures remained elevated and accelerated in the month, while new orders and employment contracted at a sharper pace.

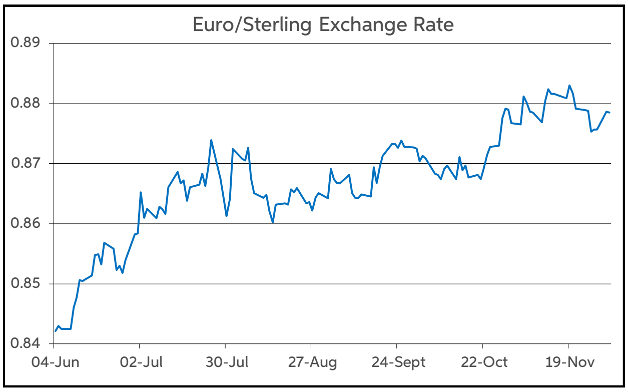
On the currency front, the main pairs were largely range bound yesterday. Of the slight moves to register, the euro was holding a marginally firmer tone. Meantime, the dollar was under some modest downward pressure, amid the disappointing data. However, the greenback recouped most of its losses overnight.

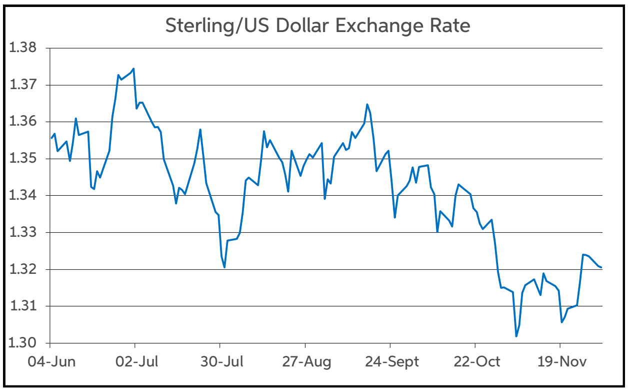
In level terms, this sees EUR/USD open this morning just above the $1.16 threshold. GBP/USD is changing hands near the $1.32 handle. EUR/GBP is operating in the top half of the 87-88p trading band. USD/JPY remains in the upper part of the ¥155-156 corridor.

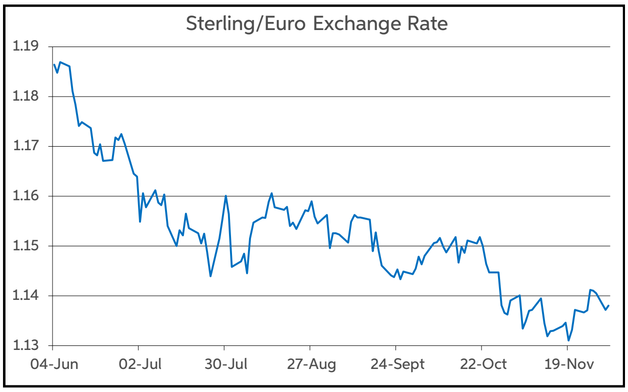
Turning to the day ahead, the data calendar is somewhat limited once again. In the Eurozone, the flash reading of HICP inflation for November is due. The headline rate is forecast to be unchanged at 2.1%, but the core rate is expected to edge up to 2.5%, from 2.4%. On the monetary policy front, remarks from Fed Chair Powell will warrant close attention, ahead of the FOMC policy announcement Wednesday week.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.1607	0.09	12.11
EUR/GBP	0.8785	0.15	6.19
GBP/USD	1.3206	-0.11	5.56
GBP/EUR	1.1376	-0.15	-5.83
USD/JPY	155.73	0.10	-0.92
EUR/JPY	180.77	0.18	11.07

* 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	3.88	3.84	3.76	3.51	3.59	3.64
EUR	2.00	1.95	2.06	2.15	2.20	2.46
GBP	4.00	3.85	3.77	3.58	3.77	3.90

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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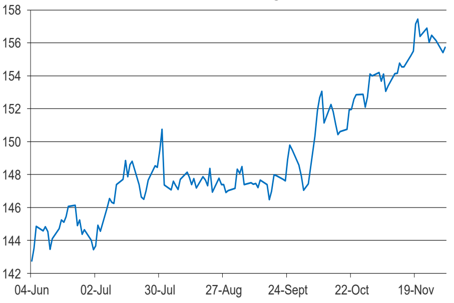
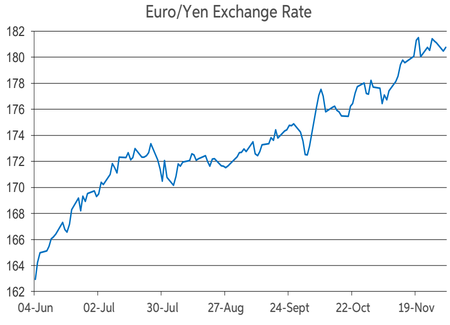
AIB

Euro		Sterling		Dollar	
EUR/GBP	0.8785	GBP/EUR	1.1376	USD/JPY	155.73
EUR/USD	1.1607	GBP/USD	1.3206	USD/CAD	1.3997
EUR/JPY	180.77	GBP/CAD	1.8487	USD/CHF	0.8045
EUR/SEK	10.972	GBP/NZD	2.3058	USD/CNY	7.0736
EUR/DKK	7.4682	GBP/JPY	205.66	USD/BRL	5.3571
EUR/NOK	11.755	GBP/SEK	12.4837	USD/RUB	77.7
EUR/CHF	0.9338	GBP/DKK	8.4967	USD/INR	89.896
EUR/AUD	1.7713	GBP/NOK	13.381		
EUR/HKD	9.0389	GBP/CHF	1.0627	AUD/USD	0.6552
EUR/CAD	1.6249	GBP/AUD	2.0149	NZD/USD	0.5725

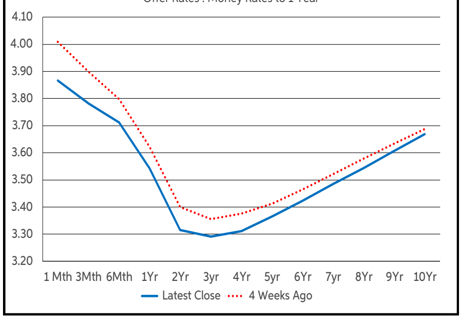
Dollar/Yen Exchange Rate



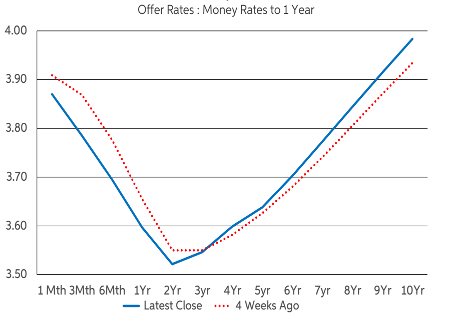
Euro/Yen Exchange Rate



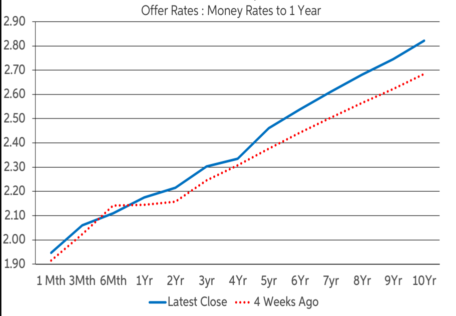
US Swap Curve
Offer Rates : Money Rates to 1 Year



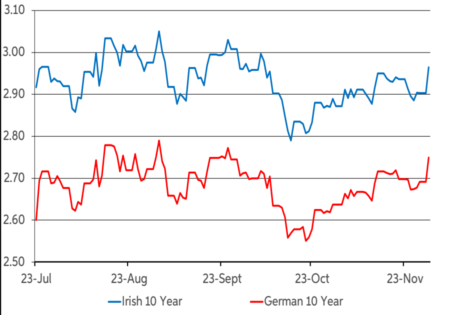
UK Swap Curve
Offer Rates : Money Rates to 1 Year



Eurozone Swap Curve
Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps Day	Change bps 4 Weeks	Change bps End 24
10 Year Yield %				
US	4.10	+8	-1	-48
Germany	2.75	+6	+9	+39
UK	4.48	+4	+4	-9
Ireland	2.96	+6	+5	+31
Belgium	3.27	+8	+6	+29
France	3.49	+7	+4	+29
Italy	3.47	+7	+6	-5
Spain	3.23	+6	+6	+16
Portugal	3.07	+6	+5	+22
Greece	3.37	+6	+9	+12
5 Year Swap %				
US	3.62	+5	-1	-67
Eurozone	2.45	+3	+8	+21
UK	3.89	+3	+2	-39
2 Year Swap %				
US	3.58	+3	-6	-75
Eurozone	2.18	+1	+3	-1
UK	3.76	+0	-3	-73
10 Year Government Bond Spreads to Benchmark bps				
Ireland	22	+0	-3	-7
Belgium	52	+2	-2	-10
France	74	+2	-4	-9
Italy	72	+1	-2	-44
Spain	48	+0	-2	-22
Portugal	32	-0	-3	-16
Greece	62	+0	+0	-26

Commodities

	Close	% Change Day	% Change 4 Weeks	% Change End 24
Brent Oil	63.17	-0.05	-2.65	-15.37
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	4232.5	+0.05	+5.77	+61.31

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