

## Sterling on the front-foot

Investor sentiment was holding a slightly positive tone yesterday. On equity markets, the Euro Stoxx 50 rose by a meagre 0.1%. In contrast though, the S&P 500 gained 0.3%. In terms of fixed income, German Bund and US Treasury yields edged 1-2bps lower along the curve. Meanwhile, UK Gilt yields fell by 2-6bps. The move was most pronounced at the long-end of the curve.

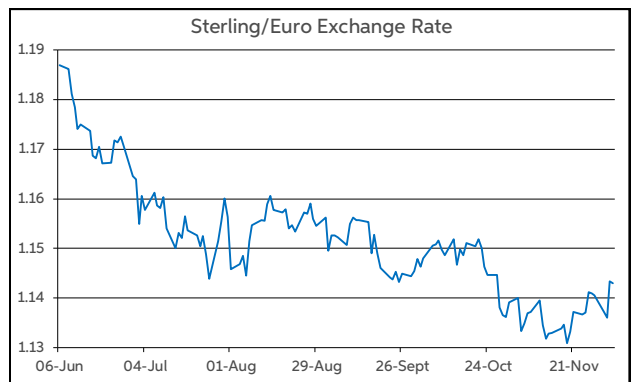
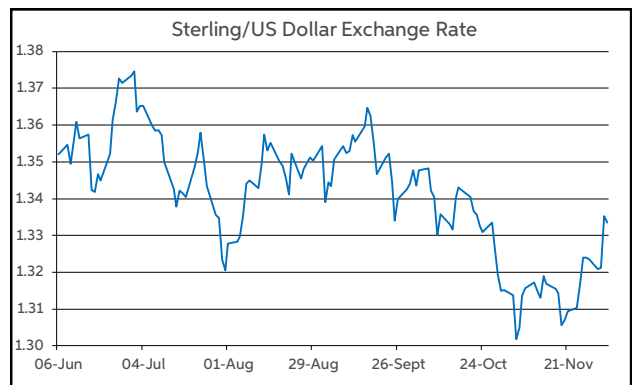
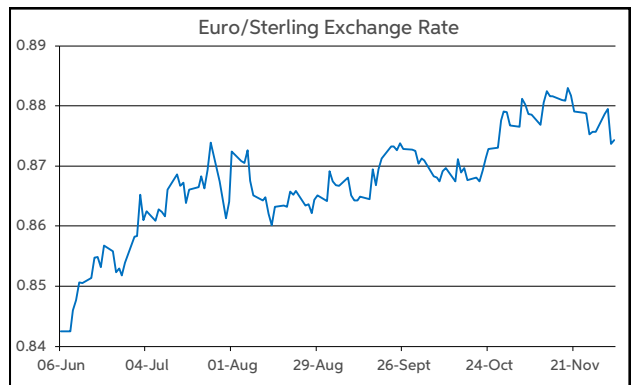
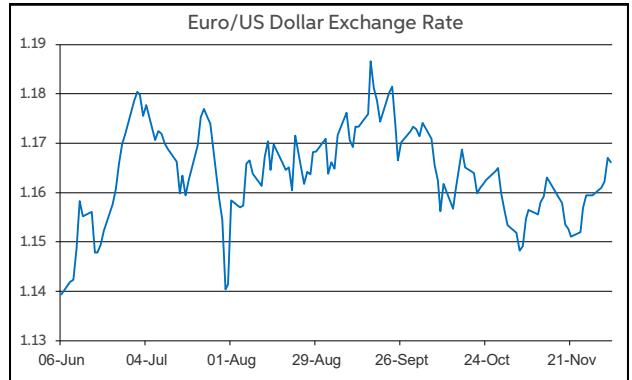
Data-wise, the US ADP employment report indicated that the private sector shed 32k jobs in November, undershooting the consensus for a 10k rise. Elsewhere, US industrial production rose by 0.1% in September (vs. +0.0% f'cast), albeit output in August was revised down to -0.3% from +0.1%. At the same time, both the Eurozone and the UK services PMIs for November printed above the flash estimate, indicating a sharper pace of expansion in the month compared to the initial reading.

Against this backdrop, the dollar was on the defensive yesterday. Meanwhile, sterling was on the front-foot, having benefitted from the marked revision to the services PMI. Overall, the greenback fell by around 0.2% versus the euro and by 0.7% against the pound.

As trading gets underway this morning, the firmer tone to sterling is reflected by EUR/GBP opening just below the midpoint of the 87-88p range. Elsewhere, EUR/USD is in the top half of the \$1.16-1.17 corridor. GBP/USD is operating up above the \$1.33 threshold. USD/JPY has edged slightly lower, but remains in the ¥155-156 band.

Turning to the day ahead, the macro calendar is quite sparse on both sides of the Atlantic. Of the limited releases to note, Eurozone retail sales are forecast to stagnate in October. Meanwhile, the latest initial jobless claims are forecast to rise slightly to 220k in the last week of November, from 216k previously.

**Daniel Noonan, Economist, AIB**



| Today's Opening FX Rates         |        |          |          |
|----------------------------------|--------|----------|----------|
|                                  |        | % Change |          |
|                                  |        | Day *    | End 2024 |
| EUR/USD                          | 1.1662 | 0.17     | 12.64    |
| EUR/GBP                          | 0.8744 | -0.56    | 5.69     |
| GBP/USD                          | 1.3335 | 0.76     | 6.59     |
| GBP/EUR                          | 1.1433 | 0.56     | -5.39    |
| USD/JPY                          | 155.24 | -0.28    | -1.23    |
| EUR/JPY                          | 181.04 | -0.12    | 11.24    |
| * 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      | 3.81         | 3.73  | 3.48       | 3.56 | 3.62 |
| EUR                    | 2.00      | 1.90         | 2.04  | 2.14       | 2.20 | 2.46 |
| GBP                    | 4.00      | 3.84         | 3.77  | 3.57       | 3.75 | 3.87 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

|         |                            |            |            |                  |                           |                 |                                   |
|---------|----------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|
| FX Spot | Karl Cooke<br>Shane Gargan | FX Options | Mark Tuite | Reuters<br>Phone | AIBG.I<br>00353-1-7724018 | Morning Comment | John Fahey<br>john.j.fahey@aib.ie |
|---------|----------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|

# Opening Levels

Thursday 04 December 2025  
07:54 am



## Euro

|         |         |
|---------|---------|
| EUR/GBP | 0.8744  |
| EUR/USD | 1.1662  |
| EUR/JPY | 181.04  |
| EUR/SEK | 10.9519 |
| EUR/DKK | 7.4685  |
| EUR/NOK | 11.732  |
| EUR/CHF | 0.9338  |
| EUR/AUD | 1.7632  |
| EUR/HKD | 9.0781  |
| EUR/CAD | 1.6284  |

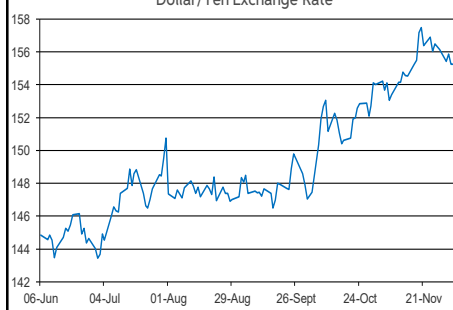
## Sterling

|         |         |
|---------|---------|
| GBP/EUR | 1.1433  |
| GBP/USD | 1.3335  |
| GBP/CAD | 1.8617  |
| GBP/NZD | 2.3091  |
| GBP/JPY | 207.01  |
| GBP/SEK | 12.523  |
| GBP/DKK | 8.5405  |
| GBP/NOK | 13.4162 |
| GBP/CHF | 1.0674  |
| GBP/AUD | 2.0155  |

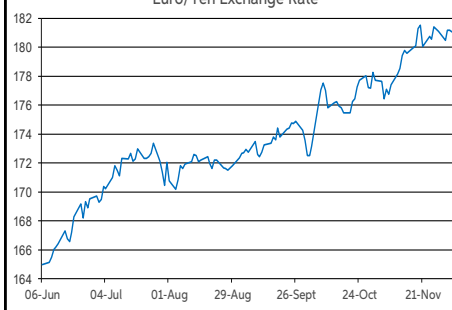
## Dollar

|         |        |
|---------|--------|
| USD/JPY | 155.24 |
| USD/CAD | 1.3965 |
| USD/CHF | 0.8004 |
| USD/CNY | 7.0676 |
| USD/BRL | 5.3074 |
| USD/RUB | 76.9   |
| USD/INR | 90.059 |
| AUD/USD | 0.6613 |
| NZD/USD | 0.5772 |

Dollar/Yen Exchange Rate

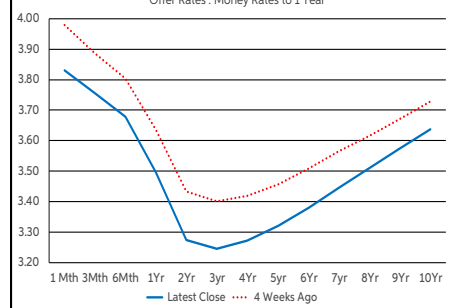


Euro/Yen Exchange Rate



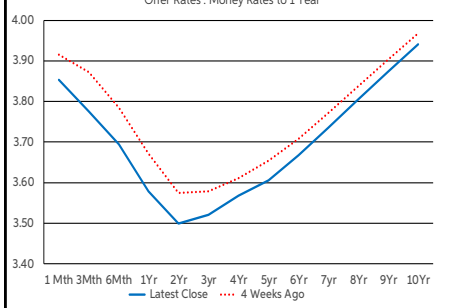
US Swap Curve

Offer Rates : Money Rates to 1 Year



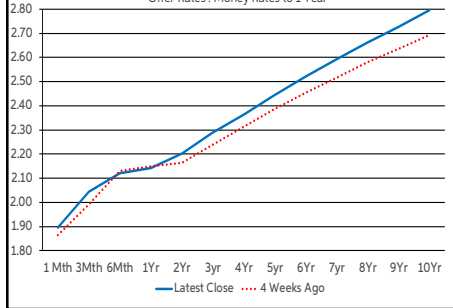
UK Swap Curve

Offer Rates : Money Rates to 1 Year

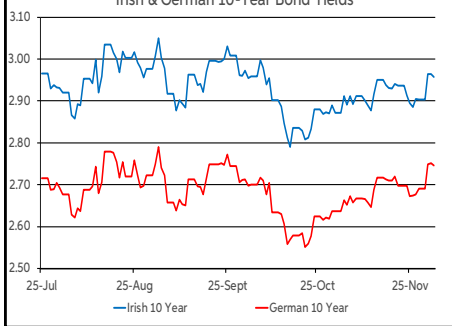


Eurozone Swap Curve

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                                               | 4.06  | -3         | -10     | -52    |
| Germany                                          | 2.75  | -1         | +7      | +38    |
| UK                                               | 4.45  | -2         | -1      | -12    |
| Ireland                                          | 2.96  | -1         | +4      | +31    |
| Belgium                                          | 3.26  | -0         | +4      | +28    |
| France                                           | 3.49  | -0         | +3      | +30    |
| Italy                                            | 3.45  | -2         | +2      | -7     |
| Spain                                            | 3.22  | -1         | +4      | +16    |
| Portugal                                         | 3.08  | +1         | +5      | +23    |
| Greece                                           | 3.36  | -2         | +5      | +11    |
| 5 Year Swap %                                    |       |            |         |        |
| US                                               | 3.56  | -3         | -14     | -73    |
| Eurozone                                         | 2.43  | -1         | +8      | +20    |
| UK                                               | 3.86  | -1         | -3      | -42    |
| 2 Year Swap %                                    |       |            |         |        |
| US                                               | 3.54  | -1         | -14     | -79    |
| Eurozone                                         | 2.16  | -2         | +2      | -3     |
| UK                                               | 3.74  | -1         | -7      | -75    |
| 10 Year Government Bond Spreads to Benchmark bps |       |            |         |        |
| Ireland                                          | 21    | -0         | -3      | -8     |
| Belgium                                          | 51    | +0         | -3      | -10    |
| France                                           | 75    | +0         | -4      | -9     |
| Italy                                            | 70    | -2         | -5      | -46    |
| Spain                                            | 47    | -0         | -4      | -23    |
| Portugal                                         | 33    | +1         | -2      | -15    |
| Greece                                           | 62    | -2         | -2      | -27    |

## Commodities

|                | % Change |       |         |        |
|----------------|----------|-------|---------|--------|
|                | Close    | Day   | 4 Weeks | End 24 |
| Brent Oil      | 62.67    | +0.35 | -1.34   | -16.04 |
| West Texas Oil | 71.65    | -0.17 | -1.90   | -1.27  |
| Gold \$        | 4206.0   | -0.03 | +5.61   | +60.30 |

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.