

ECB & BoE monetary policy decisions today

The cautious tone to investor sentiment at the start of the week carried over into yesterday. Against this backdrop, the Euro Stoxx 50 fell by 0.6%. Meantime on Wall Street, the S&P 500 shed 1.2%, led by a decline in tech stocks. In terms of fixed income, German Bund and US Treasury yields were little changed. In contrast, UK Gilt yields moved 4-6bps lower, amid a sharper than anticipated fall in both headline and core inflation in November.

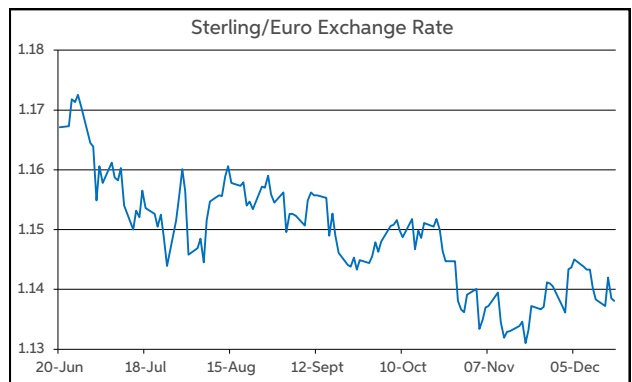
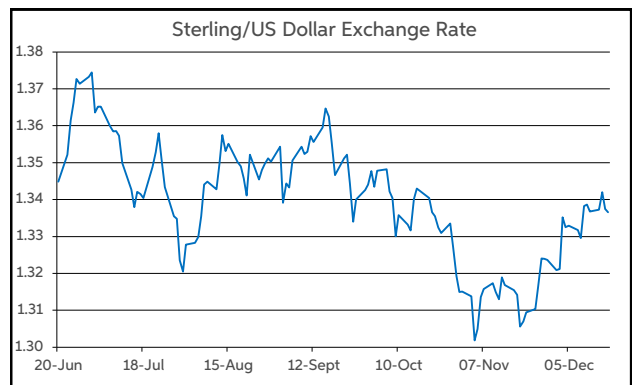
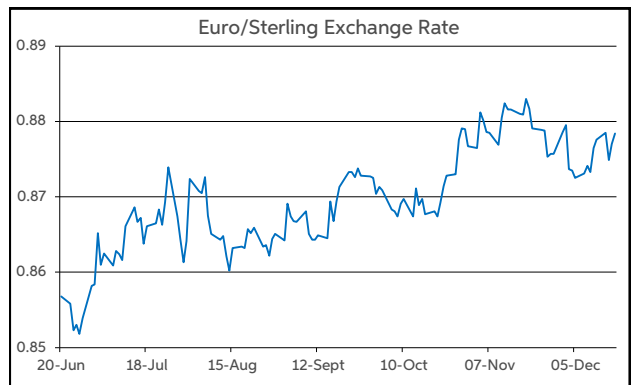
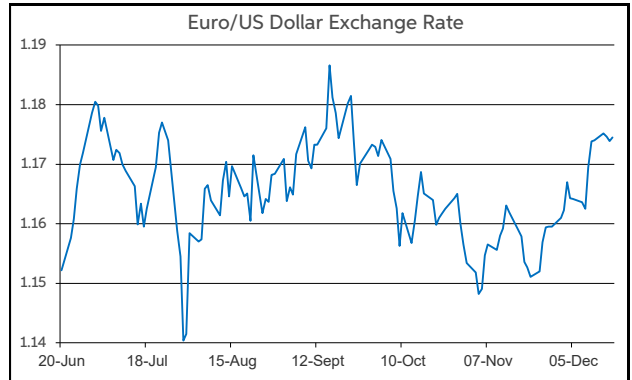
Elsewhere on the data front, the final reading of Eurozone HICP inflation indicated that the headline rate stood at just 2.1% in November, a touch below the flash estimate of 2.2%. The core rate remained at 2.4% for a third consecutive month, in-line with the flash reading. Meanwhile, the bellwether German Ifo business climate survey deteriorated slightly to 87.6 in December from 88.0.

Currency-wise, sterling has been under some downward pressure over the past 24 hours. The aforementioned drop in CPI has led to a modest softening in UK rate expectations, which has weighed slightly on the pound. At the same time, the yen has been on the defensive, albeit there was no obvious catalyst for the move.

In level terms, EUR/GBP opens this morning in the top half of the 87-88p range. EUR/USD is operating near the midpoint of \$1.17-1.18. GBP/USD remains above the halfway mark of the \$1.33-1.34 band. USD/JPY is changing hands just below the ¥156 threshold.

Turning to the day ahead, a number of central bank policy announcements are due. Most notably, the BoE is widely expected to cut rates by 25bps. Meantime, it is anticipated that the ECB will leave rates unchanged for a fourth successive meeting. However, the updated economic projections from the ECB will be in focus. Data-wise, US CPI inflation for November and the latest weekly initial jobless claims figures, will be the highlight.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1745	0.14	13.45
EUR/GBP	0.8784	0.26	6.18
GBP/USD	1.3366	-0.12	6.83
GBP/EUR	1.1378	-0.26	-5.82
USD/JPY	155.87	0.48	-0.83
EUR/JPY	183.1	0.63	12.50

* 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	3.63	3.74	3.68	3.43	3.57	3.69
EUR	2.00	1.94	2.06	2.19	2.28	2.59
GBP	4.00	3.73	3.70	3.53	3.73	3.91

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

Thursday 18 December 2025
06:52 am



Euro

EUR/GBP	0.8784
EUR/USD	1.1745
EUR/JPY	183.1
EUR/SEK	10.9093
EUR/DKK	7.4715
EUR/NOK	11.9779
EUR/CHF	0.9336
EUR/AUD	1.7771
EUR/HKD	9.137
EUR/CAD	1.6175

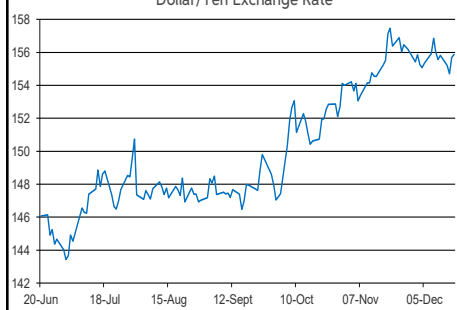
Sterling

GBP/EUR	1.1378
GBP/USD	1.3366
GBP/CAD	1.8405
GBP/NZD	2.3187
GBP/JPY	208.36
GBP/SEK	12.4166
GBP/DKK	8.5035
GBP/NOK	13.6339
GBP/CHF	1.0624
GBP/AUD	2.0225

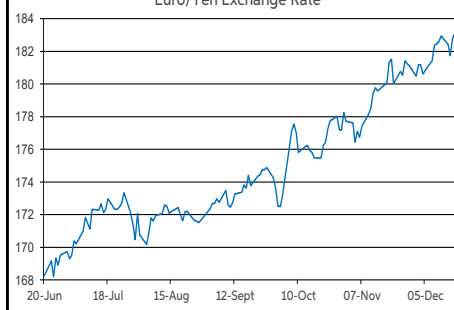
Dollar

USD/JPY	155.87
USD/CAD	1.3772
USD/CHF	0.7949
USD/CNY	7.041
USD/BRL	5.52
USD/RUB	80.3
USD/INR	90.086
AUD/USD	0.6607
NZD/USD	0.5761

Dollar/Yen Exchange Rate

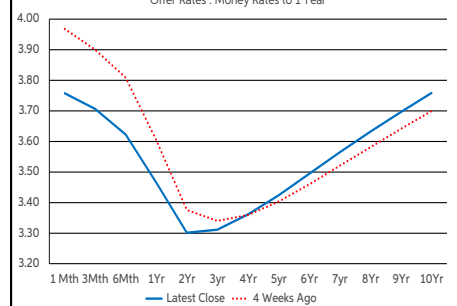


Euro/Yen Exchange Rate



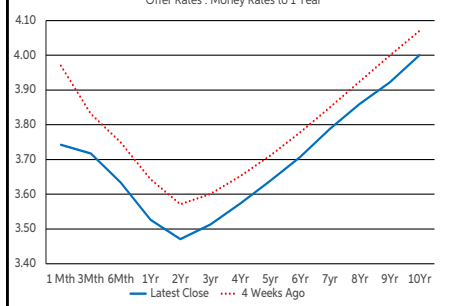
US Swap Curve

Offer Rates : Money Rates to 1 Year



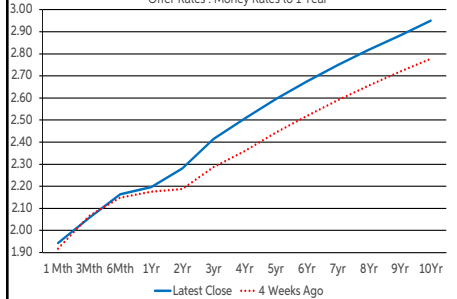
UK Swap Curve

Offer Rates : Money Rates to 1 Year

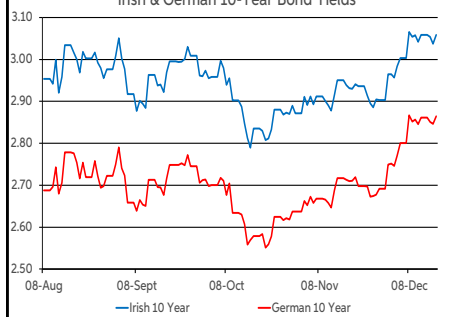


Eurozone Swap Curve

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	4.15	+0	+2	-43
Germany	2.86	+2	+15	+50
UK	4.48	-4	-12	-9
5 Year Swap %				
US	3.67	+2	+4	-62
Eurozone	2.58	+1	+15	+34
UK	3.90	-5	-6	-39
2 Year Swap %				
US	3.56	-0	-5	-77
Eurozone	2.28	-0	+9	+8
UK	3.72	-7	-9	-76
10 Year Government Bond Spreads to Benchmark bps				
Ireland	19	+0	-3	-9
Belgium	49	-0	-5	-13
France	71	+0	-4	-12
Italy	66	+0	-7	-49
Spain	43	-0	-6	-27
Portugal	30	-0	-4	-18
Greece	61	-1	-2	-28

Commodities

	Close	Day	4 Weeks	End 24
Brent Oil				
Brent Oil	59.68	+1.29	-6.03	-20.04
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4340.8	+0.87	+6.38	+65.44

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