Morning Comment

AIB Treasury Economic Research Unit

Tuesday 11 November 2025
07:04 am

UK labour market data weighs on sterling

Investor sentiment improved markedly at the start of the week. A deal made at the weekend to end the US government shutdown was passed in the Senate, providing a supportive backdrop for risk appetite. Amid the more positive tone on markets, benchmark equity indices recovered some of their recent losses. The Euro Stoxx 50 gained 1.8%, while on Wall Street, the S&P 500 climbed 1.5% higher.

On the data front, the macro calendar was relatively sparse yesterday. Indeed, the only release of note was the EU sentix survey for November. The index deteriorated to −7.4 in the month, well below the consensus for an improvement to −4.0. Investors assessment of current and future conditions declined in November.

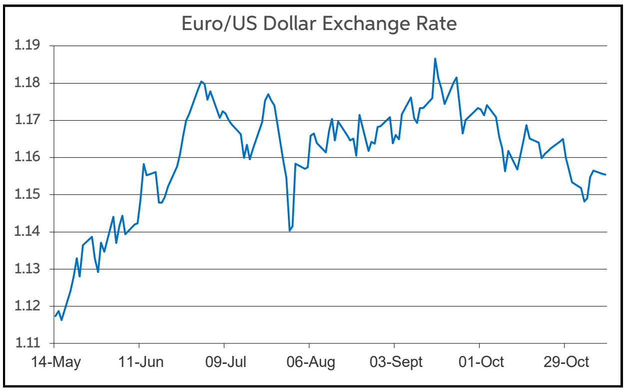
Currency-wise, the main FX pairs continued to change hands within narrow trading ranges. Of the limited price action, sterling was holding a marginally firmer tone. However, there was a no obvious catalyst for the move. Furthermore, the pound gave back most of its gains overnight, and has started today on the defensive following the release of UK labour market data for September/October.

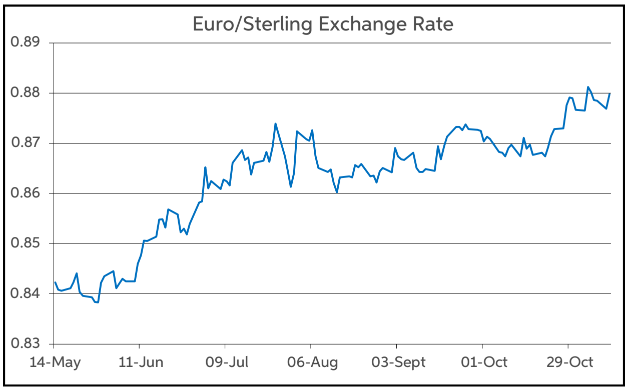
The unemployment rate rose to 5.0% in September (vs. 4.9% f'cast), its highest level since February 2021. Meanwhile, payrolls were revised down to −32k for September from −10k, and fell by 32k again in October. Average earnings growth slowed to +4.6% y/y in Q3.

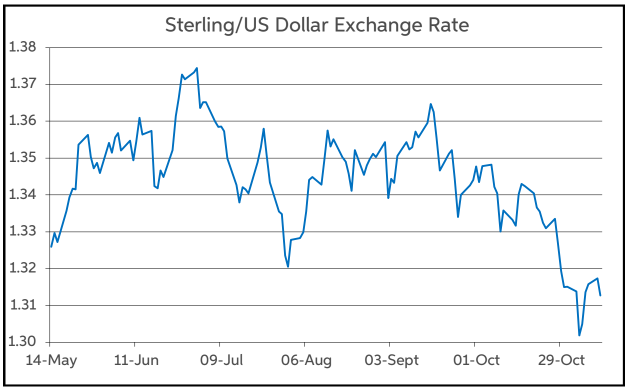
In level terms, EUR/GBP is up at the 88p mark. Meantime GBP/USD is back in the lower half of the $1.31-1.32 range. EUR/USD remains just above the midpoint of $1.15-1.16.

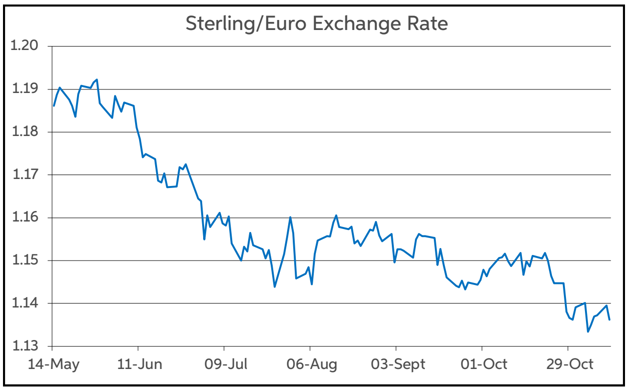
Today, the attention will likely remain on efforts to end the US government shutdown, with the focus now on the House of Representatives. Data-wise, the German ZEW (Nov) and US NFIB small business optimism (Oct) surveys will be the highlight.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.1554	-0.06	11.60
EUR/GBP	0.8798	0.14	6.35
GBP/USD	1.3127	-0.20	4.92
GBP/EUR	1.136	-0.14	-5.97
USD/JPY	154.2	0.18	-1.90
EUR/JPY	178.16	0.10	9.47

* 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	3.95	3.86	3.58	3.65	3.68
EUR	2.00	1.89	2.01	2.13	2.17	2.40
GBP	4.00	3.96	3.86	3.66	3.82	3.89

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

All Data Sourced from Refinitiv

Opening Levels

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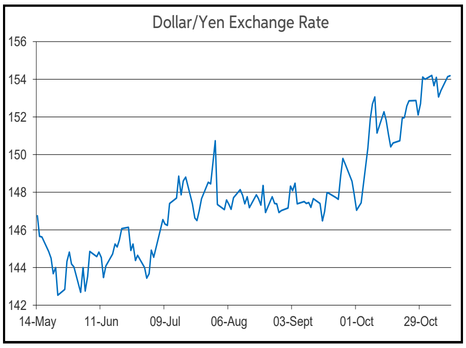
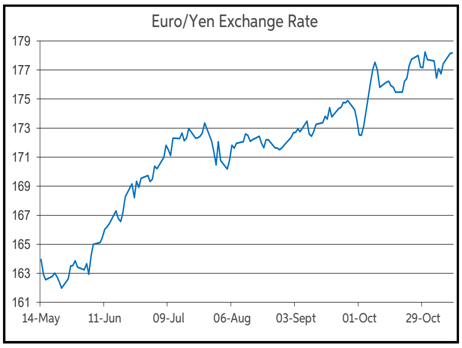
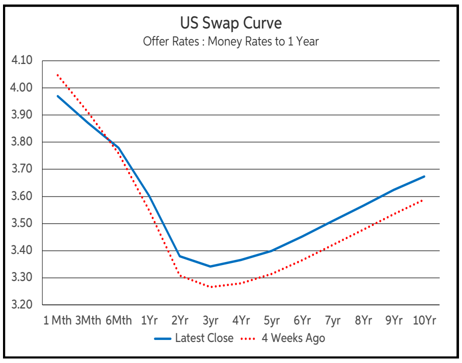
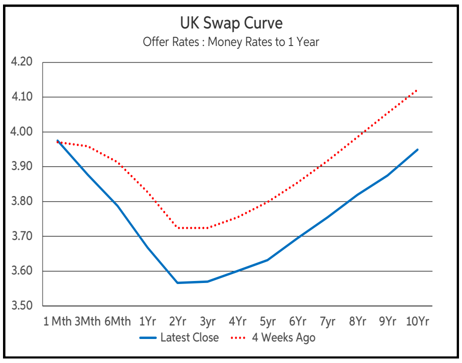
AIB

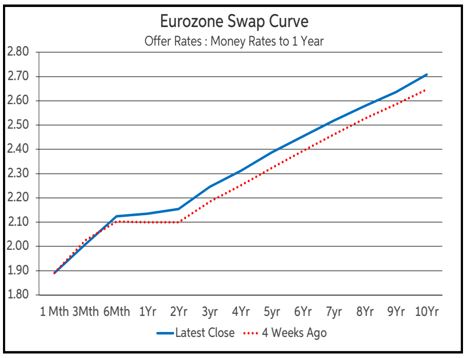
Euro		Sterling		Dollar	
EUR/GBP	0.8798	GBP/EUR	1.136	USD/JPY	154.2
EUR/USD	1.1554	GBP/USD	1.3127	USD/CAD	1.4037
EUR/JPY	178.16	GBP/CAD	1.8425	USD/CHF	0.8047
EUR/SEK	10.9979	GBP/NZD	2.3296	USD/CNY	7.1217
EUR/DKK	7.4672	GBP/JPY	202.42	USD/BRL	5.291
EUR/NOK	11.7137	GBP/SEK	12.4964	USD/RUB	81.1
EUR/CHF	0.9298	GBP/DKK	8.4846	USD/INR	88.688
EUR/AUD	1.7727	GBP/NOK	13.3077		
EUR/HKD	8.9803	GBP/CHF	1.0564	AUD/USD	0.6516
EUR/CAD	1.6217	GBP/AUD	2.0135	NZD/USD	0.5631

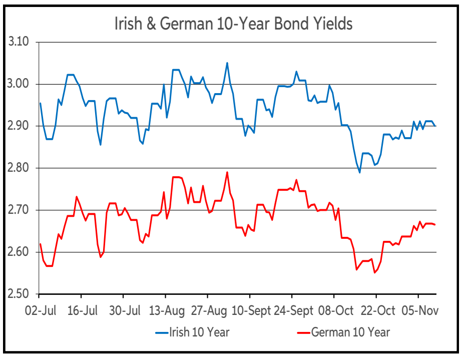












Debt Markets

	Close	Change bps Day	4 Weeks	End 24
10 Year Yield %				
US	4.11	+2	+6	-47
Germany	2.67	-0	+4	+30
UK	4.46	-0	-20	-11
Ireland	2.90	-1	+1	+25
Belgium	3.20	-1	-1	+22
France	3.44	-2	-3	+25
Italy	3.41	-2	-5	-11
Spain	3.18	-1	-0	+11
Portugal	3.02	-1	-1	+17
Greece	3.31	-2	-2	+6
5 Year Swap %				
US	3.65	+6	+10	-64
Eurozone	2.37	+1	+6	+14
UK	3.89	-0	-15	-40
2 Year Swap %				
US	3.65	+5	+10	-68
Eurozone	2.15	+1	+5	-4
UK	3.82	+1	-14	-67
10 Year Government Bond Spreads to Benchmark bps				
Ireland	24	-1	-2	-5
Belgium	54	-1	-5	-8
France	77	-2	-6	-6
Italy	75	-1	-8	-41
Spain	51	-1	-4	-19
Portugal	36	-1	-5	-13
Greece	65	-1	-6	-24

Commodities

	Close	% Change Day	4 Weeks	End 24
Brent Oil	64.06	+0.68	+1.17	-14.17
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	4115.7	+2.92	+0.13	+56.86

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