Morning Comment

AIB Treasury Economic Research Unit

Tuesday 18 November 2025
06:14 am

Risk-off start to the week

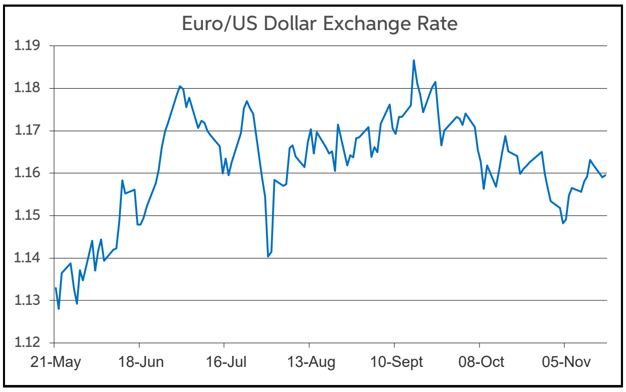
There was a cautious tone to investor sentiment at the start of the week. Ongoing concerns regarding AI-related tech stock valuations, muted Eurozone growth prospects, and hawkish remarks from Fed officials, provided an unhelpful backdrop for risk appetite. Having outperformed last week, the Euro Stoxx 50 fell by 0.9% yesterday. Meantime on Wall Street, the S&P 500 declined sharply into the close, to post a 0.9% loss also.

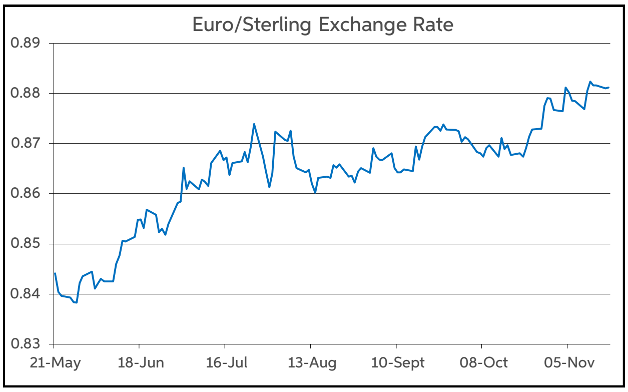
Hawkish remarks from Fed Vice-Chair Jefferson led to a modest firming in US rate expectations yesterday. He stated that the Fed should “proceed slowly” with any further rate cuts. His comments echoed recent speeches from a number of Fed officials over the past week, which also suggested that the central bank may leave rates unchanged in December. However, it should be noted that Governor Waller indicated in remarks made later in the day, that he supports a rate cut in December. Against this backdrop, futures contracts pricing suggests the market sees just a 40% chance of a rate cut at the next Fed meeting in December (was 65% last week).

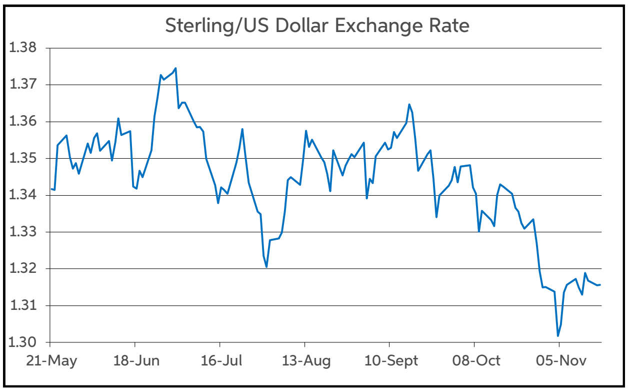
Currency-wise, the main FX pairs have operated in relatively narrow ranges over the past 24 hours. Of the limited moves to note, sterling has edged slightly higher. Meantime, the yen remains on the defensive, as GDP data for Q3 showed that the economy contracted (albeit modestly) for the first time in six quarters. In level terms, EUR/USD opens this morning just below the $1.16 threshold. Meanwhile, EUR/GBP is operating back near to 88p. GBP/USD is just above the midpoint of $1.31-1.32. EUR/JPY is in the upper half of ¥179-180.

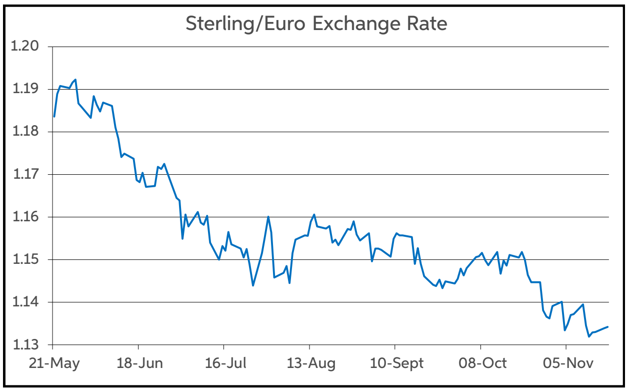
Turning to the day ahead, the data calendar is sparse on both sides of the Atlantic. Indeed, US NAHB homebuilder sentiment for November is the only release of note. Meantime, on the monetary policy front, remarks from Fed, ECB and BoE officials will garner attention.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.1595	-0.04	12.00
EUR/GBP	0.881	-0.18	6.49
GBP/USD	1.3156	0.11	5.16
GBP/EUR	1.1346	0.18	-6.10
USD/JPY	155.12	0.28	-1.31
EUR/JPY	179.89	0.25	10.53

* 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	3.94	3.88	3.58	3.63	3.66
EUR	2.00	1.89	2.07	2.16	2.21	2.45
GBP	4.00	3.96	3.83	3.64	3.82	3.94

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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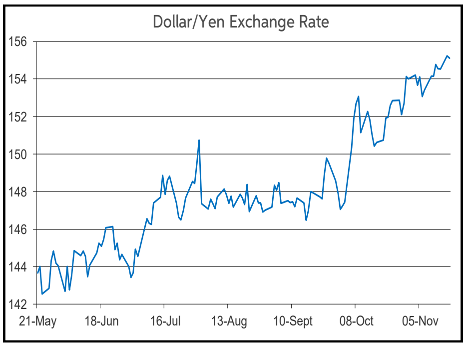
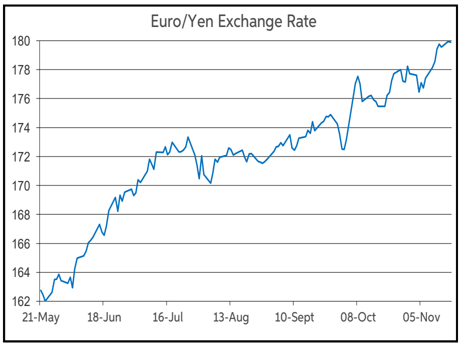
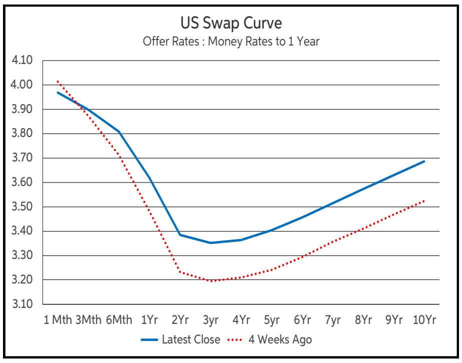
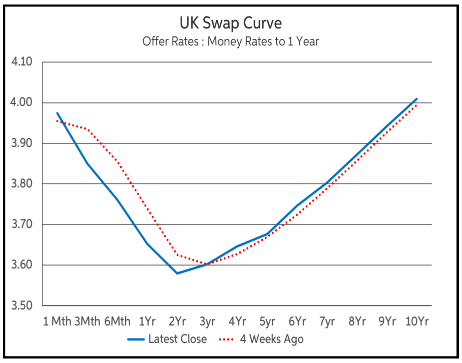
AIB

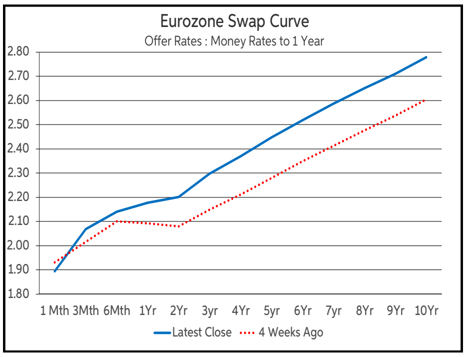
Euro		Sterling		Dollar	
EUR/GBP	0.881	GBP/EUR	1.1346	USD/JPY	155.12
EUR/USD	1.1595	GBP/USD	1.3156	USD/CAD	1.4052
EUR/JPY	179.89	GBP/CAD	1.8484	USD/CHF	0.7944
EUR/SEK	10.9947	GBP/NZD	2.326	USD/CNY	7.1119
EUR/DKK	7.4682	GBP/JPY	204.11	USD/BRL	5.329
EUR/NOK	11.7295	GBP/SEK	12.4747	USD/RUB	81.05
EUR/CHF	0.9212	GBP/DKK	8.4745	USD/INR	88.595
EUR/AUD	1.7888	GBP/NOK	13.3104		
EUR/HKD	9.0235	GBP/CHF	1.0453	AUD/USD	0.6479
EUR/CAD	1.6291	GBP/AUD	2.0296	NZD/USD	0.5652

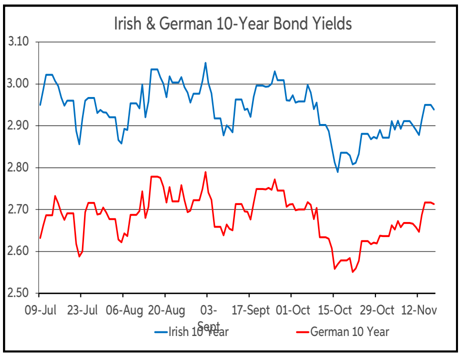












Debt Markets

	Close	Change bps Day	4 Weeks	End 24
10 Year Yield %				
US	4.13	-1	+15	-44
Germany	2.71	-0	+13	+35
UK	4.54	-4	+2	-4
Ireland	2.94	-1	+11	+29
Belgium	3.23	-1	+9	+25
France	3.45	-0	+9	+26
Italy	3.45	-2	+8	-7
Spain	3.21	-1	+10	+15
Portugal	3.05	-1	+8	+20
Greece	3.35	-2	+10	+10
5 Year Swap %				
US	3.67	+1	+16	-62
Eurozone	2.43	+0	+17	+20
UK	3.93	-4	+2	-35
2 Year Swap %				
US	3.66	+1	+17	-68
Eurozone	2.20	+0	+14	+0
UK	3.81	-3	-4	-67
10 Year Government Bond Spreads to Benchmark bps				
Ireland	23	-1	-2	-6
Belgium	52	-1	-3	-10
France	74	+0	-4	-9
Italy	74	-1	-5	-42
Spain	50	-1	-3	-20
Portugal	34	-1	-5	-15
Greece	63	-1	-3	-25

Commodities

	Close	% Change Day	4 Weeks	End 24
Brent Oil	64.2	-0.30	+5.23	-13.99
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	4044.3	-0.86	-7.14	+54.14

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