Morning Comment

AIB Treasury Economic Research Unit

AIB

Thursday 27 November 2025
07:17 am

Sterling modestly firmer post-Budget

Investor sentiment retained its positive tone yesterday. This was evident in gains amongst the main equity indices on both sides of the Atlantic. In Europe, the Euro Stoxx 50 rose by 1.5%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 headed into its Thanksgiving holiday with a 0.7% gain on the day.

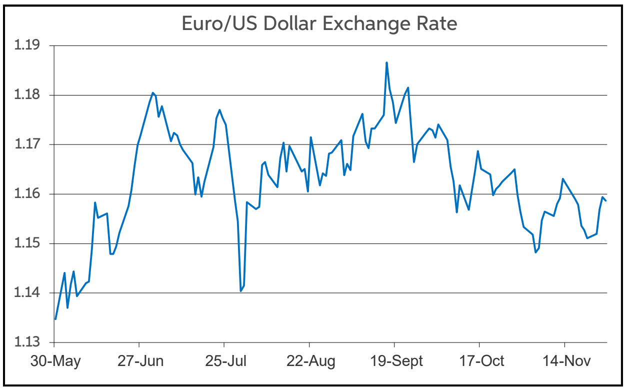
In terms of the macro calendar, the UK Budget was in the spotlight. Most of the details were accidentally published in advance of Chancellor Reeves' scheduled speech. There was a little bit of volatility for UK Gilts from the event. Overall though, UK yields moved lower on the day implying a favourable reaction from the market to the Budget. However, the fiscal sustainability risks for the UK economy will remain in focus given that many of the key revenue raising measures are back loaded to 2029/2030.

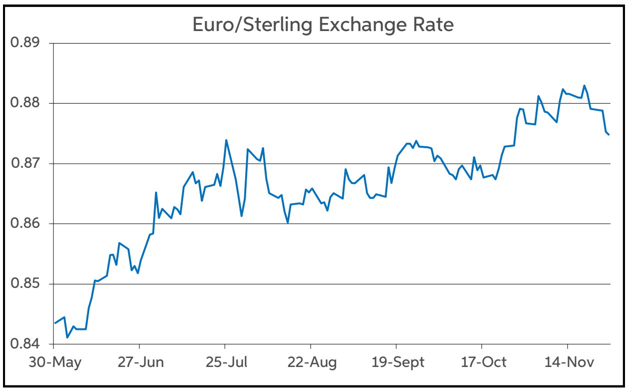
From a sterling viewpoint, the currency initially weakened as the leaked Budget details started to hit the newswires. However, this 'softness' proved short-lived, with the pound finishing the day modestly higher. Elsewhere on the currency front, the other main pairs were confined to narrow ranges. This was not overly surprising given the quiet data calendar. The only release of any note was the weekly US jobless claims figures, with the headline number printing slightly better than expected at 216,000 (vs f'cast for 225,000). The data though did not prompt much of a reaction from the dollar.

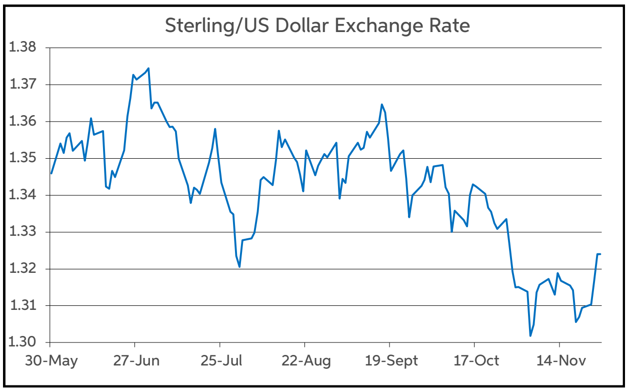
As trading gets underway this morning, the modestly firmer tone to sterling is reflected in EUR/GBP operating at the midpoint of 87-88p and GBP/USD changing hands back above $1.32. Meanwhile, EUR/USD continues to trade just below the $1.16 threshold.

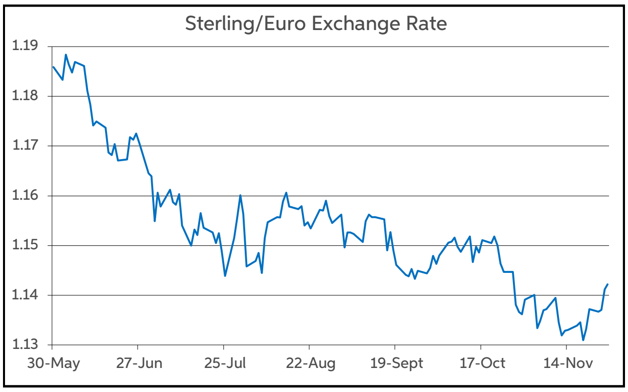
With the Thanksgiving US market holiday today, the only data due is from the Eurozone. The EC sentiment indices for November will be released as well as the ECB 'account' of its October meeting.

John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.1587	-0.03	11.92
EUR/GBP	0.8751	-0.40	5.78
GBP/USD	1.324	0.38	5.83
GBP/EUR	1.1426	0.40	-5.46
USD/JPY	156.21	0.06	-0.62
EUR/JPY	181.04	0.05	11.24

* 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	3.87	3.78	3.49	3.54	3.54
EUR	2.00	1.93	2.07	2.13	2.17	2.40
GBP	4.00	3.89	3.79	3.57	3.74	3.86

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

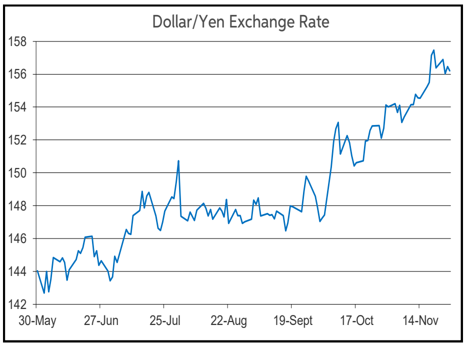
Thursday 27 November 2025
07:17 am

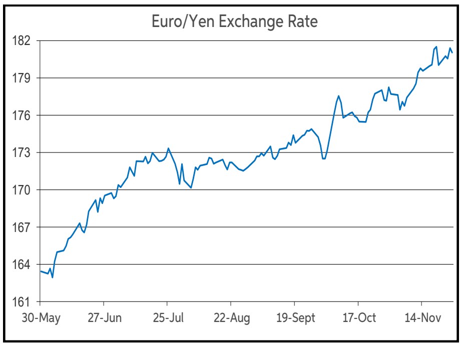
AIB

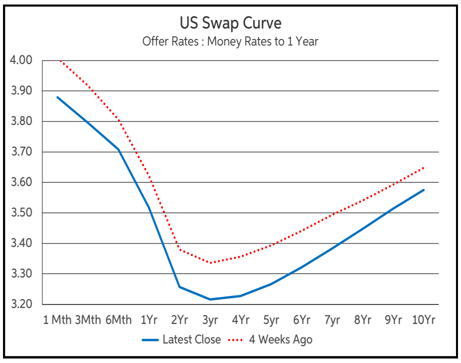
Euro	
EUR/GBP	0.8751
EUR/USD	1.1587
EUR/JPY	181.04
EUR/SEK	11.0025
EUR/DKK	7.4686
EUR/NOK	11.815
EUR/CHF	0.9322
EUR/AUD	1.7754
EUR/HKD	9.0104
EUR/CAD	1.6258

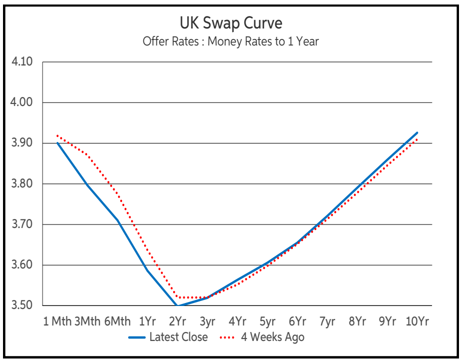
Sterling	
GBP/EUR	1.1426
GBP/USD	1.324
GBP/CAD	1.8577
GBP/NZD	2.3142
GBP/JPY	206.82
GBP/SEK	12.5731
GBP/DKK	8.5345
GBP/NOK	13.4995
GBP/CHF	1.0652
GBP/AUD	2.0282

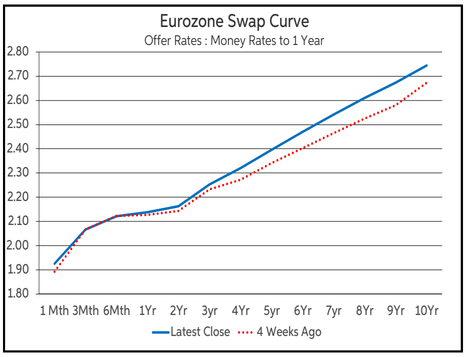
Dollar	
USD/JPY	156.21
USD/CAD	1.4036
USD/CHF	0.8044
USD/CNY	7.081
USD/BRL	5.3319
USD/RUB	78.3
USD/INR	89.2412
AUD/USD	0.6526
NZD/USD	0.5717

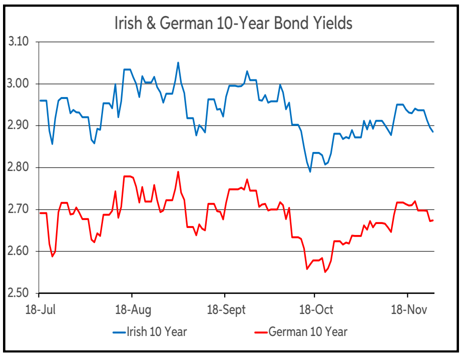












Debt Markets

		Change bps		
	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.00	-0	-6	-58
Germany	2.67	+0	+6	+31
UK	4.42	-7	+3	-15
Ireland	2.89	-1	+2	+24
Belgium	3.17	-1	+1	+19
France	3.40	-2	-1	+20
Italy	3.39	-1	+1	-13
Spain	3.15	-1	+2	+9
Portugal	3.01	-0	+1	+16
Greece	3.30	+1	+3	+5
5 Year Swap %				
US	3.52	+0	-11	-77
Eurozone	2.39	+0	+6	+15
UK	3.85	-4	+1	-43
2 Year Swap %				
US	3.53	+2	-10	-80
Eurozone	2.16	+0	+2	-3
UK	3.75	-2	-2	-74
10 Year Government Bond Spreads to Benchmark bps				
Ireland	21	-1	-4	-7
Belgium	50	-2	-4	-12
France	72	-2	-6	-11
Italy	72	-1	-5	-44
Spain	48	-2	-3	-22
Portugal	33	-1	-4	-16
Greece	63	+1	-3	-26

Commodities

		% Change		
	Close	Day	4 Weeks	End 24
Brent Oil	63.13	+1.04	-2.76	-15.42
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	4164.0	+0.82	+5.97	+58.70

AIB, 10 Molesworth Street, Dublin 2 Tel: 353-1-6600311