

Yen starts the week on the defensive

Markets took little notice of the government shutdown in the US last week. Indeed, despite the shutdown, equity markets moved higher on both sides of the Atlantic. European shares outperformed, with the Euro Stoxx 50 rising by 2.7%, while the S&P gained 1.5%. Elsewhere, oil prices declined by circa 7%, with Brent crude falling back below \$65 per barrel.

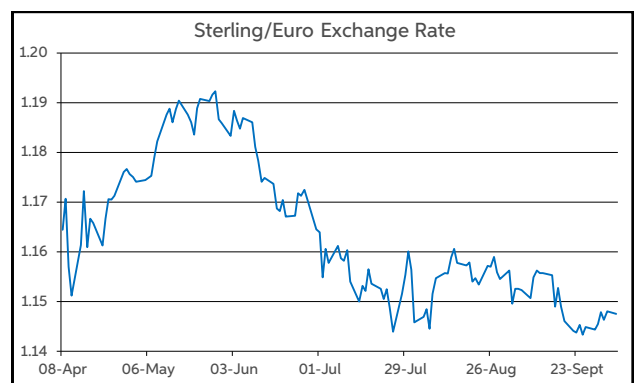
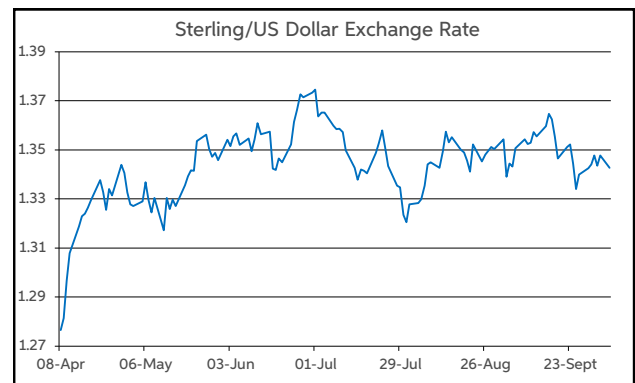
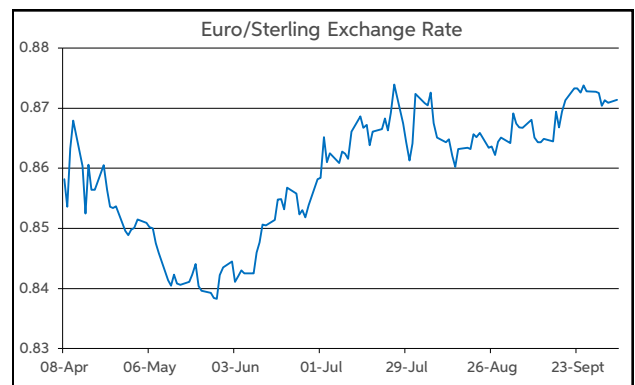
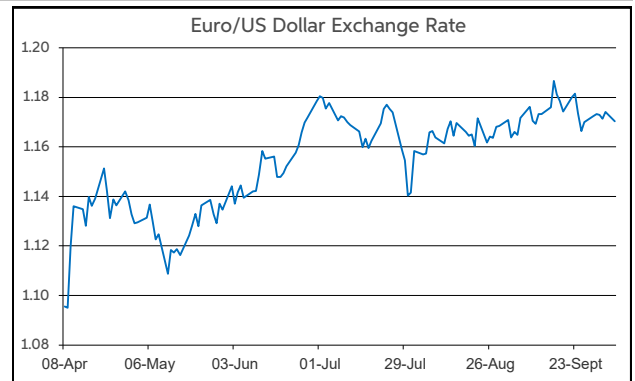
On bond markets, yields fell by 1-7bps along the curve in the Eurozone, US and UK, albeit the structure of the moves differed. German Bund yields declined by 1-7bps, led lower by the back-end of the curve. In contrast, short-dated US Treasury yields fell by 7bps, while long-dated yields edged 3bps lower. Meantime, the UK Gilt yield curve shifted down by 4-6bps.

Currency-wise, the main FX pairs operated in very tight ranges throughout the week. Of the limited moves to note, the euro edged slightly lower. Meanwhile, the yen has weakened during Asia-Pacific trading at the start of this week, on the back of Sanae Takaichi being elected the new leader of the ruling LDP party. Takaichi is now expected to take over as prime minister from her predecessor Ishiba.

As trading gets underway this morning in Europe, this sees USD/JPY open in ¥150 territory. Elsewhere, EUR/USD remains just above the \$1.17 handle. GBP/USD is operating in the bottom half of \$1.34-1.35. Meantime, EUR/GBP continues to change hands in the lower end of the 87-88p corridor.

Turning to the week ahead, the ongoing US government shutdown means that the calendar is without official US data releases once again. However, if an agreement is reached, already delayed data (such as the payrolls report) may be released. The calendar is also quiet in Europe. On the monetary policy front, both the ECB and Fed meeting minutes from September will warrant attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1703	-0.11	13.04
EUR/GBP	0.8713	-0.08	5.32
GBP/USD	1.3428	-0.04	7.33
GBP/EUR	1.147	0.08	-5.05
USD/JPY	150.33	1.77	-4.36
EUR/JPY	175.96	1.65	8.12

* 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	4.13	4.08	3.93	3.59	3.65	3.67
EUR	2.00	1.94	2.02	2.11	2.17	2.41
GBP	4.00	3.97	3.97	3.84	3.99	4.06

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
---------	----------------------------	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

Opening Levels

Monday 06 October 2025
07:14 am



Euro

EUR/GBP	0.8713
EUR/USD	1.1703
EUR/JPY	175.96
EUR/SEK	10.9958
EUR/DKK	7.4664
EUR/NOK	11.6563
EUR/CHF	0.9326
EUR/AUD	1.773
EUR/HKD	9.1084
EUR/CAD	1.6333

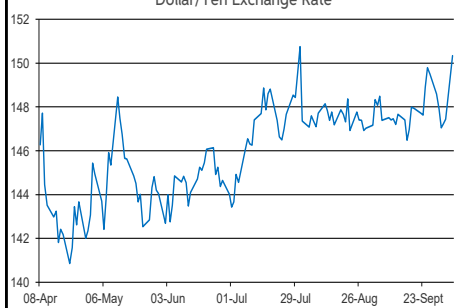
Sterling

GBP/EUR	1.147
GBP/USD	1.3428
GBP/CAD	1.8736
GBP/NZD	2.304
GBP/JPY	201.86
GBP/SEK	12.618
GBP/DKK	8.5647
GBP/NOK	13.3759
GBP/CHF	1.0703
GBP/AUD	2.0338

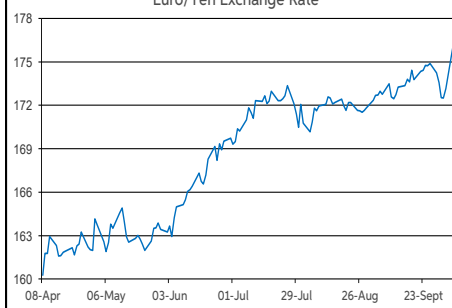
Dollar

USD/JPY	150.33
USD/CAD	1.3954
USD/CHF	0.7967
USD/CNY	7.119
USD/BRL	5.3348
USD/RUB	82.45
USD/INR	88.785
AUD/USD	0.6599
NZD/USD	0.5826

Dollar/Yen Exchange Rate

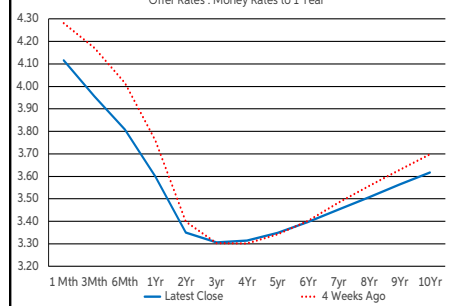


Euro/Yen Exchange Rate



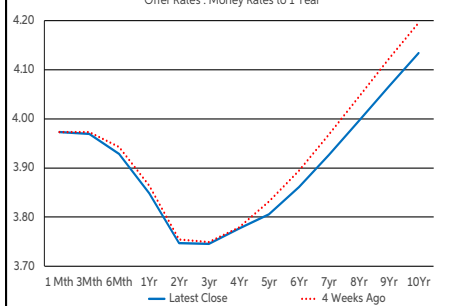
US Swap Curve

Offer Rates : Money Rates to 1 Year



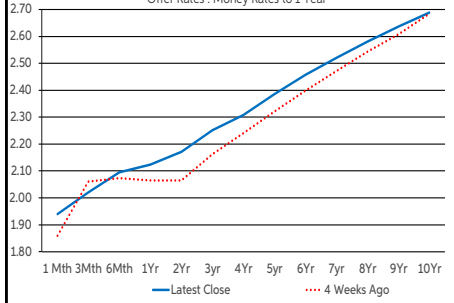
UK Swap Curve

Offer Rates : Money Rates to 1 Year

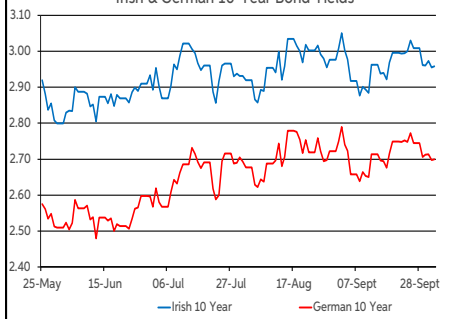


Eurozone Swap Curve

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	4.12	+3	+3	-46
Germany	2.70	+0	+4	+34
UK	4.69	-2	+5	+12
Ireland	2.96	+0	+4	+31
Belgium	3.24	-1	+1	+26
France	3.51	-1	+6	+32
Italy	3.54	-1	+1	+2
Spain	3.24	-1	-2	+17
Portugal	3.10	-0	+0	+25
Greece	3.38	-3	+2	+13
5 Year Swap %				
US	3.62	+4	+14	-67
Eurozone	2.38	+3	+9	+15
UK	4.06	-0	+4	-22
2 Year Swap %				
US	3.59	+2	+6	-75
Eurozone	2.13	+0	+7	-6
UK	3.98	-1	+3	-50
10 Year Government Bond Spreads to Benchmark bps				
Ireland	26	+0	-0	-3
Belgium	54	-2	-3	-8
France	81	-1	+2	-2
Italy	84	-1	-3	-32
Spain	54	-1	-6	-17
Portugal	40	-1	-4	-9
Greece	68	-3	-2	-20

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	64.53	+0.66	-1.48	-13.55
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3886.0	+0.78	+8.35	+48.10

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.