

Risk appetite remains fragile

Risk appetite soured once again yesterday on both sides of the Atlantic. Lingered concern regarding the recent tit-for-tat escalation in trade tensions between the US and China remained in focus. At the same time, the ongoing political uncertainty in the US (government shutdown) and Japan (upcoming parliamentary vote to elect a new prime minister) provided an unhelpful backdrop for risk appetite, albeit signs of progress in agreeing a budget in France offered some optimism late on. Overall though, the Euro Stoxx 50 fell by 0.3%, while the S&P 500 declined by 0.2% yesterday.

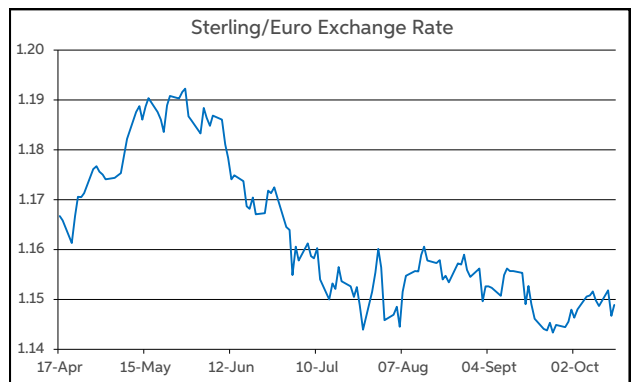
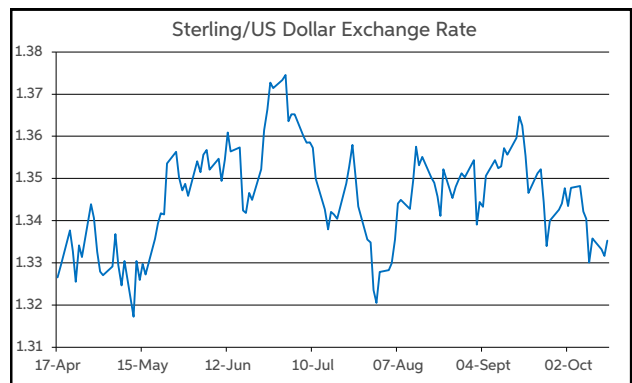
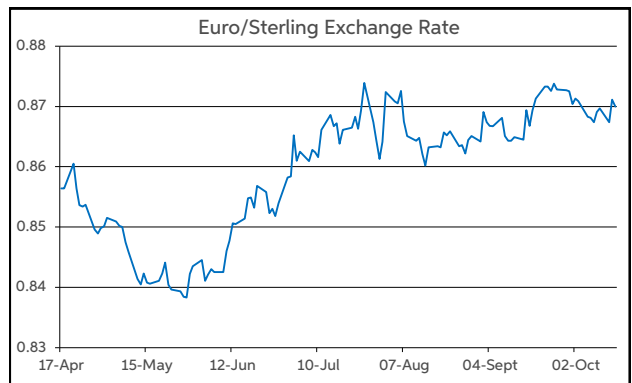
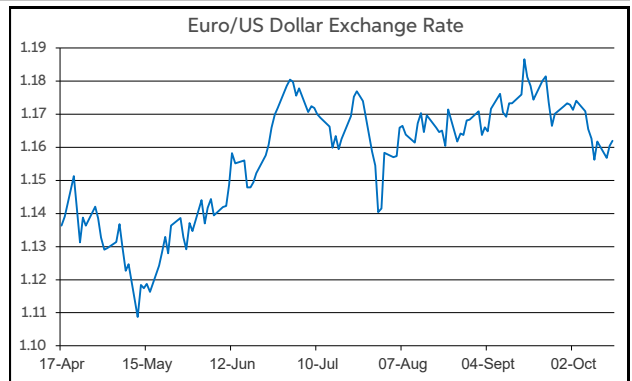
Data-wise, a number of releases also weighed on sentiment. The German ZEW survey printed at 39.3 in October, below the consensus of 41.0. Meantime, US small business optimism fell to 98.8 in September, down from 100.8. Elsewhere, the UK unemployment rate rose to 4.8% in August, its highest level since May 2021.

From a currency view point, the dollar was on the front-foot early in the European session. However, the euro gained the ascendancy later in the day, amid the aforementioned signs of progress in Budget negotiations in France. Meanwhile, sterling was under pressure throughout the day following the soft labour market report. Overnight, the dollar edged a touch lower, as Chair Powell indicated the Fed may cut rates again in October.

As trading gets underway this morning, EUR/USD opens back above the \$1.16 threshold, having traded to a low of \$1.1543 yesterday. EUR/GBP is at the 87p handle. Elsewhere, GBP/USD is at the midpoint of the \$1.33-1.34 trading range.

Today, the only release of note will be Eurozone industrial production figures for August. A sharp 1.6% contraction is pencilled in for the month. Political developments in the US, France and Japan will continue to warrant attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.162	0.24	12.24
EUR/GBP	0.87	0.24	5.16
GBP/USD	1.3353	0.02	6.73
GBP/EUR	1.1489	-0.24	-4.91
USD/JPY	151.19	-0.43	-3.81
EUR/JPY	175.71	-0.19	7.96

* 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	4.03	3.88	3.49	3.53	3.54
EUR	2.00	1.89	2.03	2.09	2.09	2.30
GBP	4.00	3.95	3.93	3.76	3.91	3.97

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

Wednesday 15 October 2025
06:57 am



Euro

EUR/GBP	0.87
EUR/USD	1.162
EUR/JPY	175.71
EUR/SEK	11.0521
EUR/DKK	7.4682
EUR/NOK	11.7709
EUR/CHF	0.9295
EUR/AUD	1.7839
EUR/HKD	9.0375
EUR/CAD	1.631

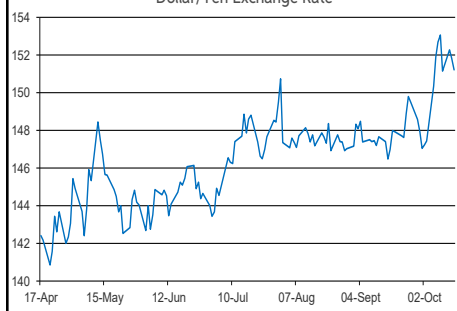
Sterling

GBP/EUR	1.1489
GBP/USD	1.3353
GBP/CAD	1.8738
GBP/NZD	2.3346
GBP/JPY	201.88
GBP/SEK	12.7004
GBP/DKK	8.5798
GBP/NOK	13.5254
GBP/CHF	1.0685
GBP/AUD	2.0497

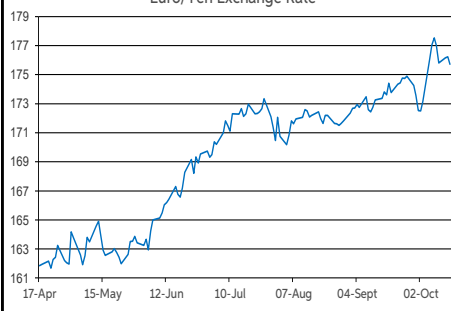
Dollar

USD/JPY	151.19
USD/CAD	1.4035
USD/CHF	0.7999
USD/CNY	7.125
USD/BRL	5.483
USD/RUB	79.5
USD/INR	88.343
AUD/USD	0.6511
NZD/USD	0.5716

Dollar/Yen Exchange Rate

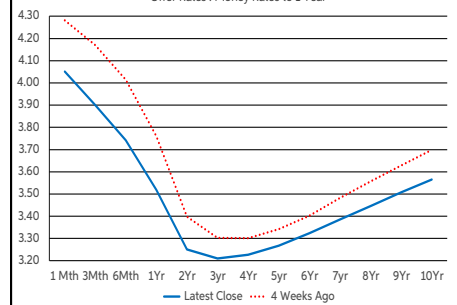


Euro/Yen Exchange Rate



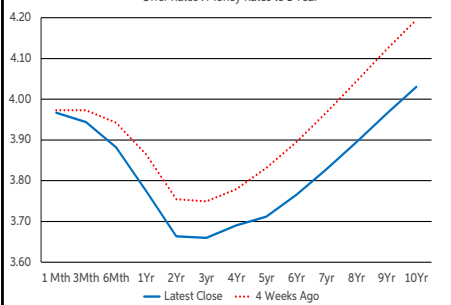
US Swap Curve

Offer Rates : Money Rates to 1 Year



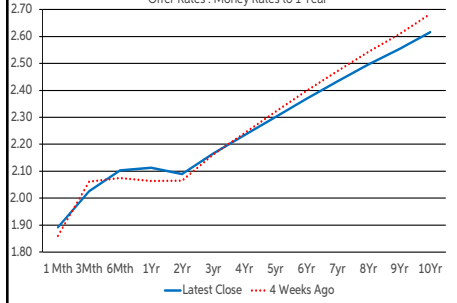
UK Swap Curve

Offer Rates : Money Rates to 1 Year

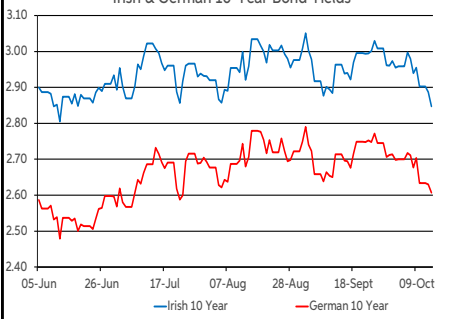


Eurozone Swap Curve

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	4.02	-3	-0	-56
Germany	2.61	-2	-9	+24
UK	4.59	-8	-5	+1
Ireland	2.85	-4	-9	+20
Belgium	3.15	-6	-8	+17
France	3.40	-7	-9	+20
Italy	3.42	-4	-9	-10
Spain	3.13	-4	-12	+7
Portugal	3.00	-4	-11	+15
Greece	3.29	-5	-8	+4
5 Year Swap %				
US	3.54	-1	+6	-75
Eurozone	2.29	-2	-5	+5
UK	3.97	-7	-5	-32
2 Year Swap %				
US	3.50	-4	-2	-83
Eurozone	2.08	-1	-6	-11
UK	3.90	-6	-7	-58
10 Year Government Bond Spreads to Benchmark bps				
Ireland	24	-2	-1	-5
Belgium	54	-4	+1	-7
France	79	-5	-0	-4
Italy	81	-2	-0	-34
Spain	53	-2	-3	-17
Portugal	39	-1	-2	-10
Greece	68	-2	+0	-20

Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	62.39	-1.47	-8.88	-16.41
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4141.5	+0.76	+12.25	+57.84

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