

Dollar remains under pressure

There was a mixed mood on markets yesterday. Throughout the European session, equity markets moved higher on both sides of the Atlantic. However, risk appetite soured over the course of the day, amid concerns regarding the health of regional banks balance sheets in the US. Against this backdrop, for a second consecutive day, European equities outperformed. The Euro Stoxx 50 rose by 0.8%, while on Wall Street, the S&P 500 declined by 0.6%.

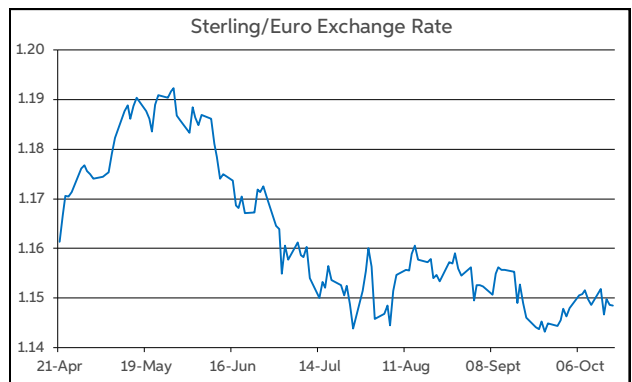
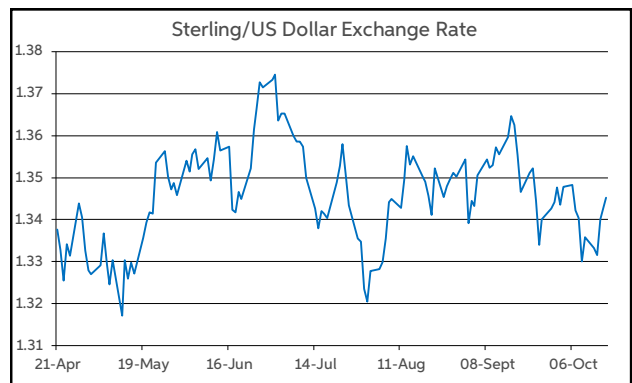
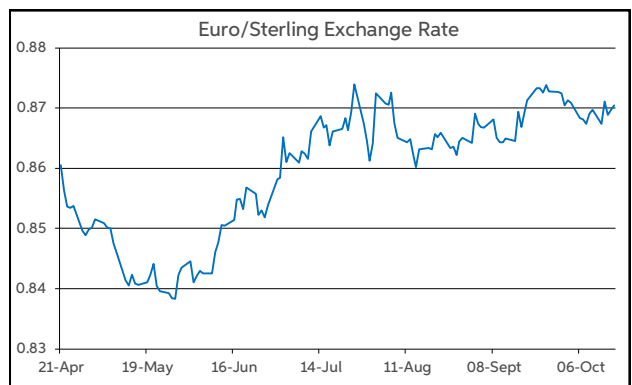
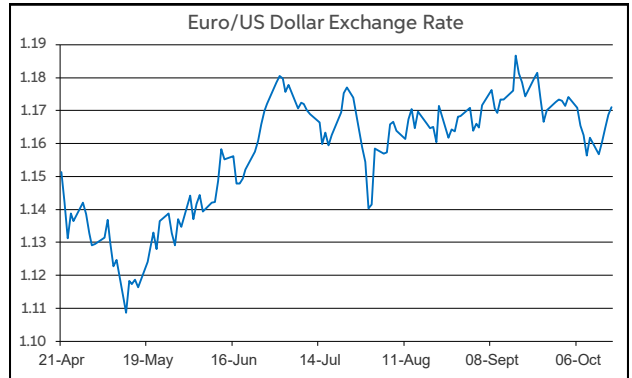
On bond markets, the spread between 10-year German and French yields held steady in the aftermath of PM Lecornu surviving two no confidence votes in Parliament. Meantime, US Treasury yields fell sharply on the back of concerns emerging in the regional banking sector. Yields are lower across the board this morning in Europe also.

On the currency front, the main FX pairs changed hands in very tight ranges during yesterday's European session. Of the limited moves to note, the dollar was on the defensive. This coincided with some dovish remarks from Fed Governors Miran and Waller. Both indicated that they are in favour of cutting rates at the next meeting later this month, with the former stating that he would prefer a 50bps move. The dollar has weakened further overnight also, while the yen and euro have lead the way higher.

In level terms, the weaker tone to the dollar is evidenced by EUR/USD opening this morning above the \$1.17 threshold. GBP/USD is up at the midpoint of the \$1.34-1.35 trading range. EUR/GBP remains in and around the 87p mark. Elsewhere, USD/JPY is back below the ¥150 handle.

Turning to the day ahead, the macro calendar is sparse once again, largely owing to the ongoing Government shutdown in the US (which shows no sign of ending soon). Thus, developments regarding the health of US regional banks will be in focus.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1711	0.48	13.12
EUR/GBP	0.8703	0.18	5.20
GBP/USD	1.3452	0.30	7.52
GBP/EUR	1.1486	-0.18	-4.94
USD/JPY	149.78	-0.83	-4.71
EUR/JPY	175.41	-0.35	7.78

* 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	4.00	3.84	3.39	3.42	3.44
EUR	2.00	1.91	2.02	2.07	2.05	2.25
GBP	4.00	3.95	3.92	3.71	3.84	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
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Opening Levels

Friday 17 October 2025
07:52 am



Euro

EUR/GBP	0.8703
EUR/USD	1.1711
EUR/JPY	175.41
EUR/SEK	11.0329
EUR/DKK	7.4692
EUR/NOK	11.7908
EUR/CHF	0.9239
EUR/AUD	1.8091
EUR/HKD	9.0982
EUR/CAD	1.6453

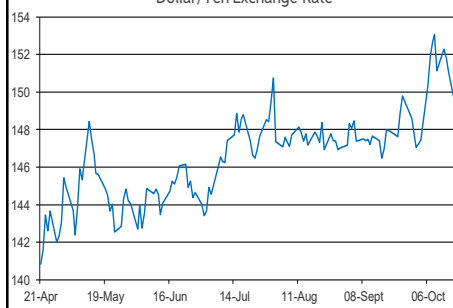
Sterling

GBP/E	1.1486
GBP/L	1.3452
GBP/C	1.8898
GBP/£	2.3455
GBP/£	201.48
GBP/£	12.6683
GBP/£	8.5783
GBP/£	13.5457
GBP/£	1.0612
GBP/£	2.0781

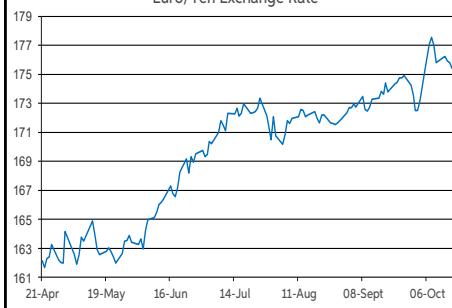
Dollar

USD/JPY	149.78
USD/CAD	1.405
USD/CHF	0.7889
USD/CNY	7.1234
USD/BRL	5.4413
USD/RUB	80.5
USD/INR	87.899
AUD/USD	0.6471
NZD/USD	0.5732

Dollar/Yen Exchange Rate

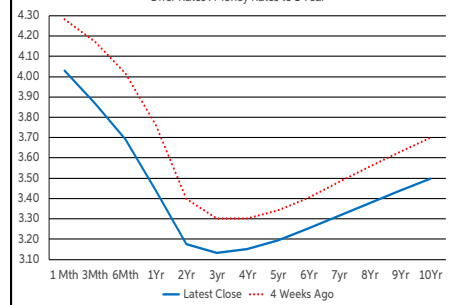


Euro/Yen Exchange Rate



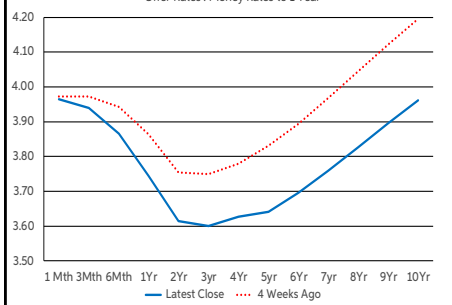
US Swap Curve

Offer Rates : Money Rates to 1 Year



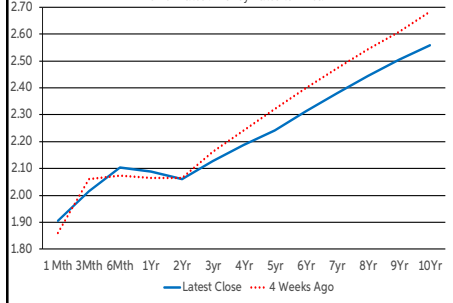
UK Swap Curve

Offer Rates : Money Rates to 1 Year

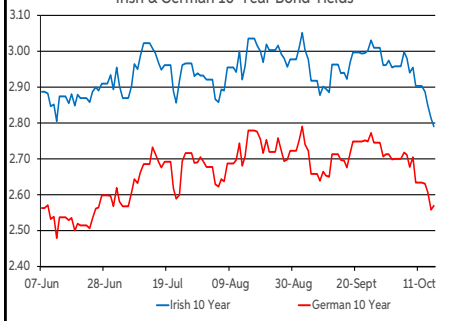


Eurozone Swap Curve

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	3.98	-7	-13	-60
Germany	2.57	+1	-15	+21
UK	4.50	-4	-18	-7
Ireland	2.79	-2	-18	+14
Belgium	3.10	-1	-16	+12
France	3.33	-0	-21	+14
Italy	3.35	-2	-20	-17
Spain	3.09	-1	-20	+2
Portugal	2.95	+0	-18	+9
Greece	3.24	-0	-17	-1
5 Year Swap %				
US	3.46	-8	-8	-83
Eurozone	2.23	-4	-15	-1
UK	3.90	-6	-14	-39
2 Year Swap %				
US	3.46	-5	-11	-88
Eurozone	2.05	-2	-7	-14
UK	3.85	-4	-13	-64
10 Year Government Bond Spreads to Benchmark bps				
Ireland	22	-3	-3	-7
Belgium	54	-2	-2	-8
France	76	-1	-6	-7
Italy	79	-3	-5	-37
Spain	52	-2	-5	-19
Portugal	38	-1	-4	-11
Greece	67	-1	-2	-22

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	61.06	-1.37	-9.46	-18.19
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4325.3	+2.80	+18.70	+64.85

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