Morning Comment

AIB Treasury Economic Research Unit

Wednesday 22 October 2025
06:49 am

Dollar continues to grind higher

Trading conditions were quite calm amid a quiet day on financial markets yesterday. A lack of top tier data releases and a dearth of central bank speakers meant there was no new information to provide direction for markets. Against this backdrop, the Euro Stoxx 50 inched 0.1% higher, while the S&P 500 finished flat for the day.

On bond markets yields moved lower across the board. US Treasury yields declined by 2-3bps along the curve. Meantime, UK Gilt and German Bund yields fell by 1-5bps, led lower by the long-end of the curves. The spread between the 10-year French and German yields remained steady at 79bps. Elsewhere, oil price edged slightly higher to circa $62 per barrel. Meanwhile, gold prices fell by over 5%.

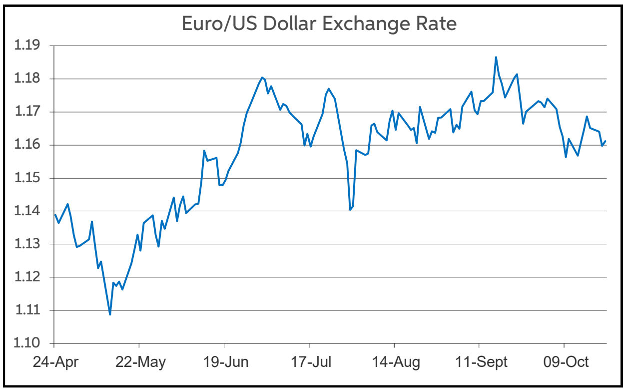
Currency-wise, the main FX pairs remained confined to very narrow ranges. Of the limited price action to register, the dollar stayed in the ascendancy. At the same time, the yen was on the defensive, as investors continued to assess how policy under new PM Takaichi (a staunch supporter of “Abenomics”) may impact the economy.

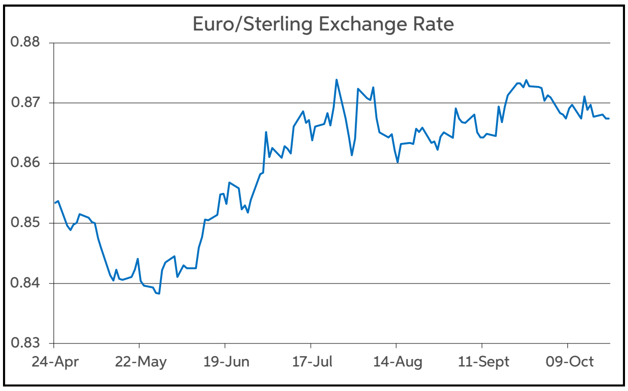
As trading gets underway this morning, EUR/USD is back near the $1.16 threshold, having tested below that level briefly yesterday. GBP/USD is in the top half of $1.33-1.34 once again. EUR/GBP remains in the upper half of 86-87p. USD/JPY is operating up towards ¥152.

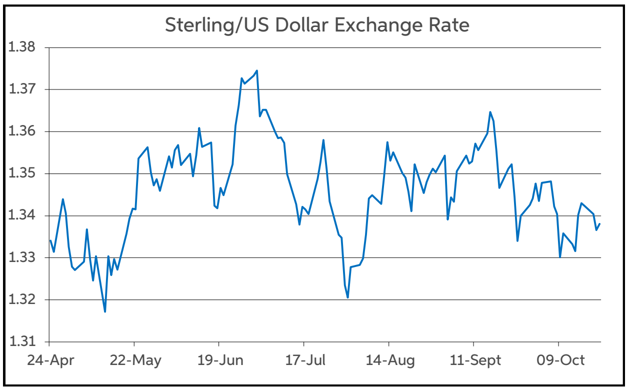
Already this morning UK CPI inflation for September has been released. The headline and core rates both printed below the consensus, remaining at 3.8% (vs. 4.0% f’cast) and falling to 3.5% (vs. 3.7% f’cast), respectively. Sterling is a touch softer in the initial aftermath of the release in early trading this morning.

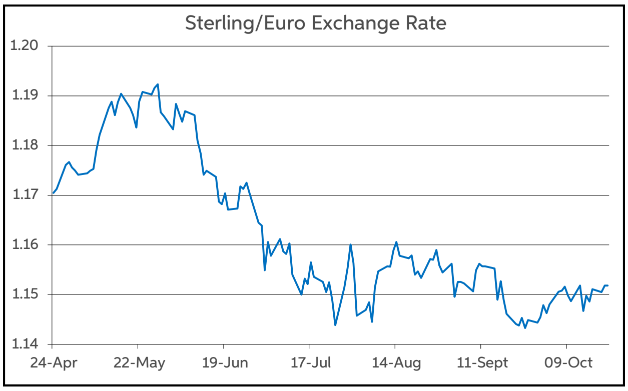
Looking ahead to the remainder of today, and the data calendar is sparse once more. Meantime on the monetary policy front, remarks from President Lagarde may be of interest.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.1613	-0.18	12.17
EUR/GBP	0.8676	-0.12	4.87
GBP/USD	1.3382	-0.07	6.96
GBP/EUR	1.1522	0.12	-4.64
USD/JPY	151.8	0.48	-3.42
EUR/JPY	176.31	0.30	8.33

* 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	4.13	4.01	3.86	3.46	3.50	3.51
EUR	2.00	1.93	2.02	2.09	2.08	2.27
GBP	4.00	3.94	3.92	3.73	3.87	3.90

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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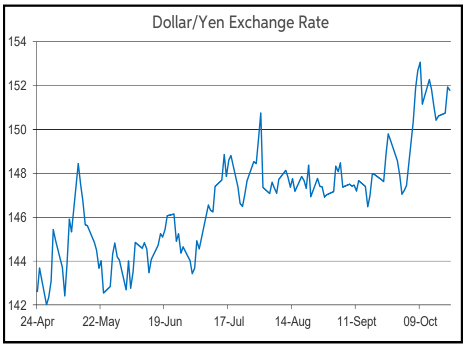
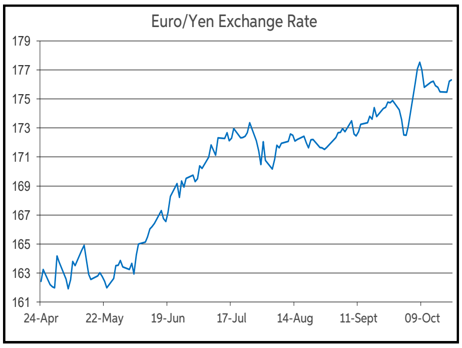
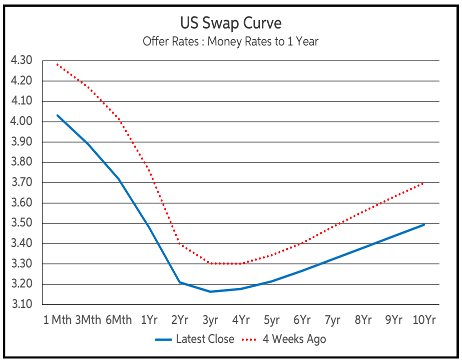
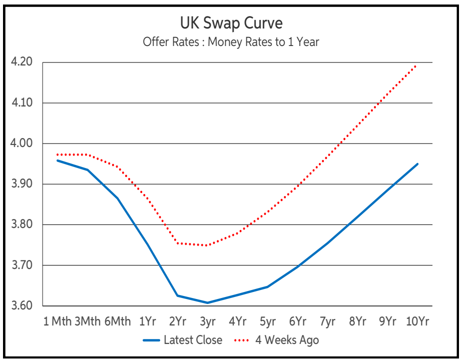
AIB

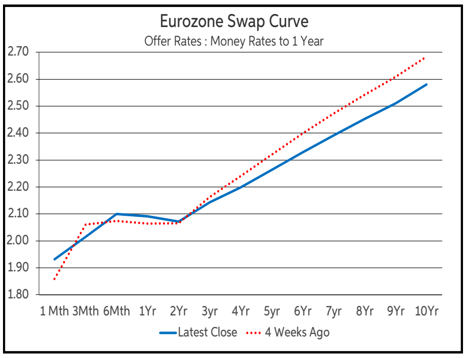
Euro		Sterling		Dollar	
EUR/GBP	0.8676	GBP/EUR	1.1522	USD/JPY	151.8
EUR/USD	1.1613	GBP/USD	1.3382	USD/CAD	1.4
EUR/JPY	176.31	GBP/CAD	1.8734	USD/CHF	0.7953
EUR/SEK	10.9337	GBP/NZD	2.3241	USD/CNY	7.1225
EUR/DKK	7.4687	GBP/JPY	203.14	USD/BRL	5.388
EUR/NOK	11.652	GBP/SEK	12.5997	USD/RUB	81.35
EUR/CHF	0.9236	GBP/DKK	8.6061	USD/INR	87.679
EUR/AUD	1.7851	GBP/NOK	13.4272		
EUR/HKD	9.022	GBP/CHF	1.0643	AUD/USD	0.6503
EUR/CAD	1.6257	GBP/AUD	2.0571	NZD/USD	0.5754

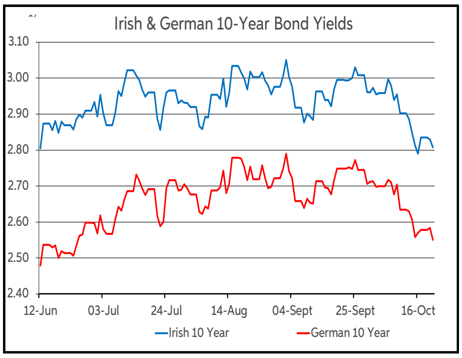












Debt Markets

	Close	Change bps Day	Change bps 4 Weeks	Change bps End 24
10 Year Yield %				
US	3.96	-2	-16	-61
Germany	2.55	-3	-20	+19
UK	4.48	-3	-20	-9
Ireland	2.81	-2	-19	+16
Belgium	3.10	-3	-19	+12
France	3.34	-2	-22	+15
Italy	3.35	-3	-23	-17
Spain	3.08	-3	-21	+2
Portugal	2.94	-3	-22	+9
Greece	3.22	-3	-21	-3
5 Year Swap %				
US	3.48	-3	-8	-81
Eurozone	2.25	-1	-14	+1
UK	3.90	-1	-15	-38
2 Year Swap %				
US	3.47	-2	-12	-86
Eurozone	2.07	+0	-8	-13
UK	3.86	+1	-11	-62
10 Year Government Bond Spreads to Benchmark bps				
Ireland	26	+1	+1	-3
Belgium	55	-0	+1	-7
France	79	+1	-2	-4
Italy	80	+1	-3	-36
Spain	53	+1	-1	-17
Portugal	39	+0	-2	-10
Greece	67	+0	-1	-22

Commodities

	Close	% Change Day	% Change 4 Weeks	% Change End 24
Brent Oil	62.41	+2.29	-7.72	-16.39
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	4123.9	-5.31	+9.57	+57.17

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