Morning Comment

AIB Treasury Economic Research Unit

Thursday 30 October 2025
06:47 am

Fed cuts rates by 25bps

As expected, the US Federal reserve cut rates by 25bps for a second consecutive meeting. However, the FOMC decision was not unanimous once again. One official (Schmid) preferred to leave rates unchanged, while another (Miran) voted for a 50bps cut. Overall though, the meeting statement was little changed from the September update. At the press conference though, Chair Powell struck a somewhat hawkish tone, stating that a rate cut in December "is far from assured". The Fed also announced it will end QT.

Against this backdrop, market rate expectations firmed slightly. Current futures pricing indicates the market sees around a 70% chance of a 25bps rate cut in December, down from circa 90% previously. Meantime, US rates are now seen as troughing near 3% next year. Elsewhere, US Treasury yields rose by 7-10bps along the curve in the aftermath of the press conference.

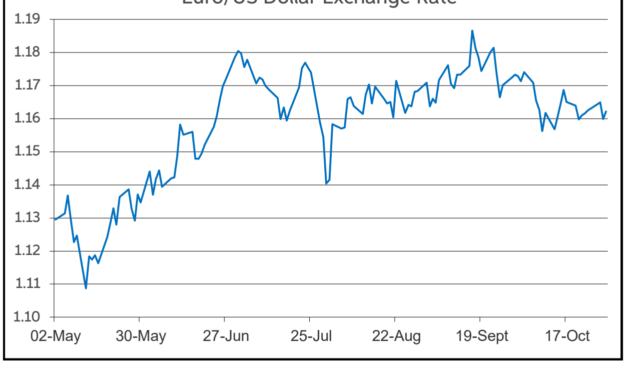
In the run-up to the Fed policy announcement yesterday, investors kept their powder dry. This was reflected by quiet trading throughout the European session. Overall, the Euro Stoxx 50 finished flat for the day. Benchmark European bond yields were little changed also.

Currency-wise, the dollar has edged marginally higher overnight. Earlier in the day, sterling remained on the defensive. This saw EUR/GBP peak at 88.18p, its highest level since early May 2023. GBP/USD also tested below the $1.32 handle. As trading gets underway this morning, EUR/GBP is at the 88p threshold. Meantime, GBP/USD is in and around the $1.32 mark. EUR/USD is in the lower half of $1.16-1.17. Meantime, USD/JPY starts the day above ¥153, following the BoJ decision to leave policy on hold in the early hours of this morning.

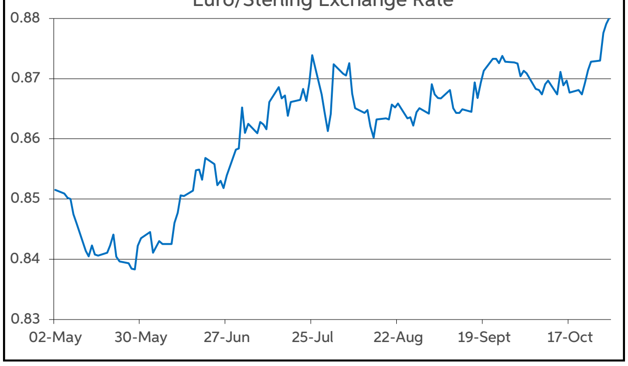
Today, the monetary spotlight will be on the ECB. A third successive hold is widely expected. A slew of Eurozone data, including GDP (Q3) and the unemployment rate (Sept) are also due.

Daniel Noonan, Economist, AIB

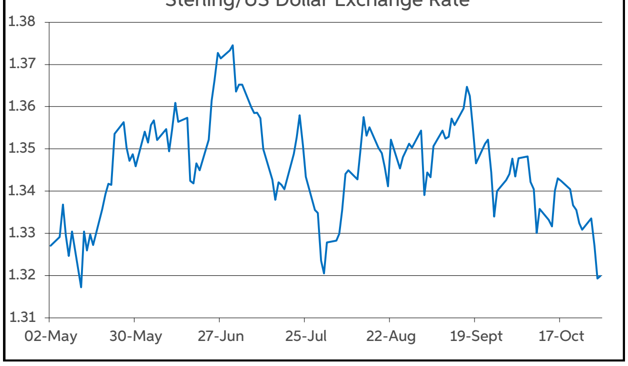
Euro/US Dollar Exchange Rate



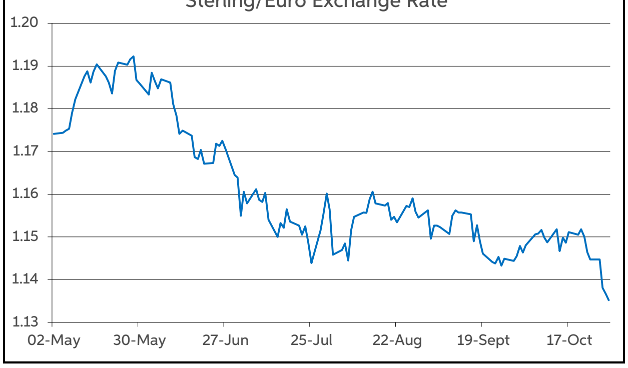
Euro/Sterling Exchange Rate



Sterling/US Dollar Exchange Rate



Sterling/Euro Exchange Rate



Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.1622	-0.07	12.26
EUR/GBP	0.8802	0.16	6.39
GBP/USD	1.3199	-0.26	5.50
GBP/EUR	1.1355	-0.16	-6.01
USD/JPY	153.39	0.68	-2.41
EUR/JPY	178.29	0.62	9.55

* 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	3.99	3.88	3.59	3.64	3.65
EUR	2.00	1.90	2.07	2.13	2.15	2.34
GBP	4.00	3.91	3.86	3.63	3.78	3.85

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

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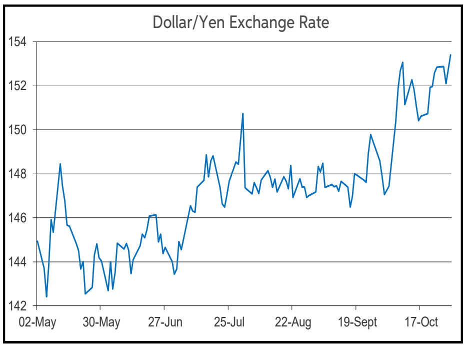
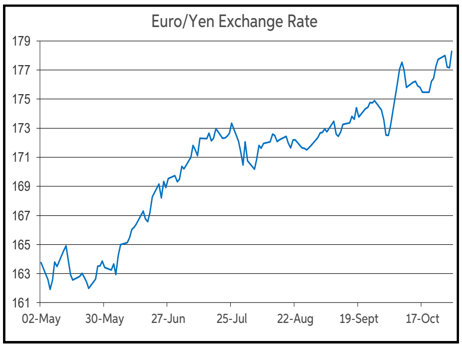
AIB

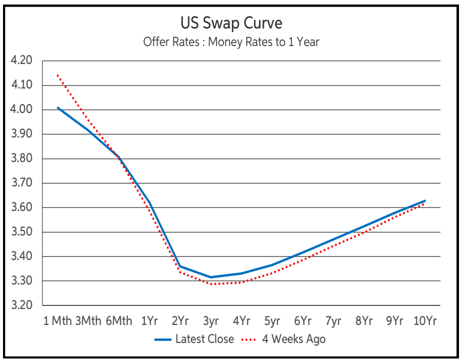
Euro	
EUR/GBP	0.8802
EUR/USD	1.1622
EUR/JPY	178.29
EUR/SEK	10.9226
EUR/DKK	7.4679
EUR/NOK	11.6315
EUR/CHF	0.9282
EUR/AUD	1.7647
EUR/HKD	9.0308
EUR/CAD	1.6193

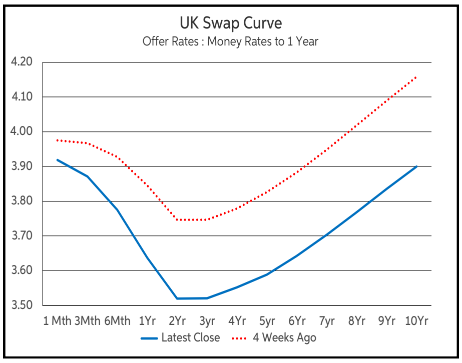
Sterling	
GBP/EUR	1.1355
GBP/USD	1.3199
GBP/CAD	1.8389
GBP/NZD	2.2848
GBP/JPY	202.46
GBP/SEK	12.4061
GBP/DKK	8.4791
GBP/NOK	13.2112
GBP/CHF	1.054
GBP/AUD	2.0042

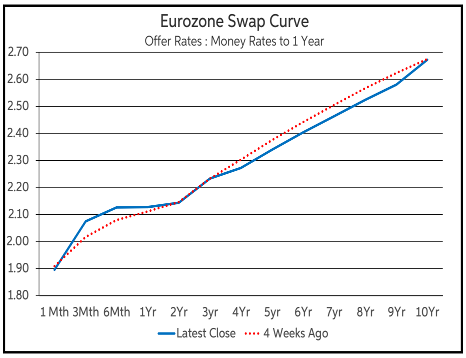
Dollar	
USD/JPY	153.39
USD/CAD	1.3935
USD/CHF	0.7986
USD/CNY	7.1054
USD/BRL	5.3582
USD/RUB	80
USD/INR	88.585
AUD/USD	0.6583
NZD/USD	0.5773

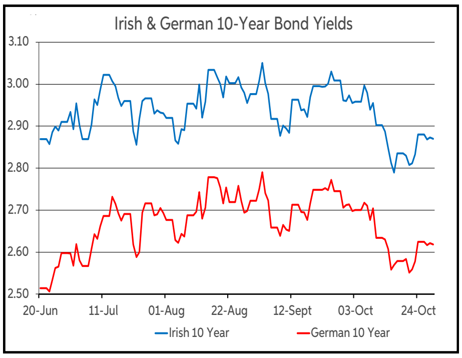












Debt Markets

		Change bps		
	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.06	+7	-5	-52
Germany	2.62	-0	-9	+25
UK	4.39	-1	-31	-18
Ireland	2.87	-0	-10	+22
Belgium	3.16	-2	-10	+18
France	3.40	-2	-13	+21
Italy	3.38	-2	-17	-14
Spain	3.13	-2	-12	+7
Portugal	2.99	-2	-13	+14
Greece	3.28	-1	-11	+3
5 Year Swap %				
US	3.64	+11	+7	-65
Eurozone	2.33	+1	-5	+9
UK	3.84	+0	-22	-44
2 Year Swap %				
US	3.63	+11	+5	-71
Eurozone	2.14	+1	-0	-5
UK	3.77	+0	-22	-72
10 Year Government Bond Spreads to Benchmark bps				
Ireland	25	-0	-1	-3
Belgium	54	-1	-0	-8
France	78	-2	-3	-5
Italy	76	-2	-8	-39
Spain	51	-1	-2	-19
Portugal	37	-1	-3	-11
Greece	66	-1	-1	-23

Commodities

		% Change		
	Close	Day	4 Weeks	End 24
Brent Oil	64.92	+0.81	-0.66	-13.02
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	3929.4	-0.56	+1.65	+49.76

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