

Eurozone flash HICP inflation due today

In a similar pattern to last week, trading conditions remained relatively calm across financial markets yesterday. A somewhat quiet data calendar and a market holiday in the US contributed to muted price action. Against this backdrop, the Euro Stoxx 50 recouped some of its recent losses, rising by 0.3% yesterday.

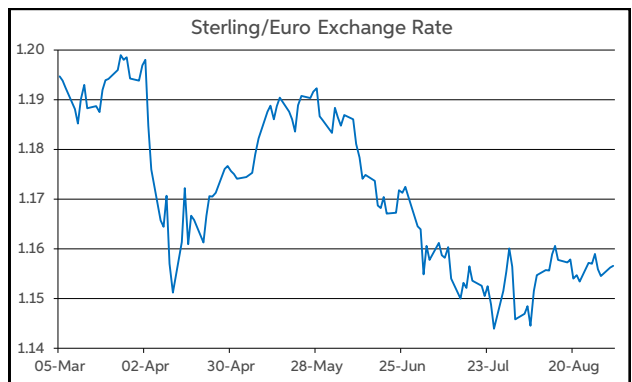
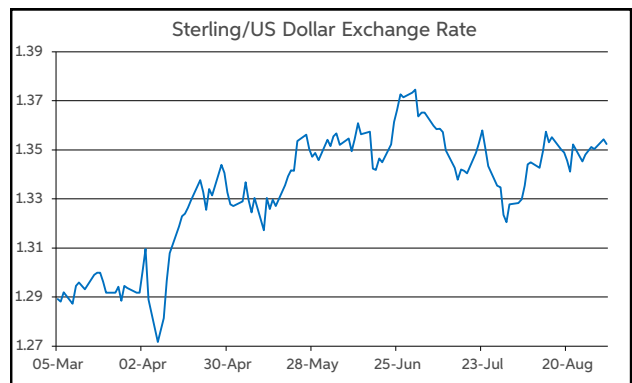
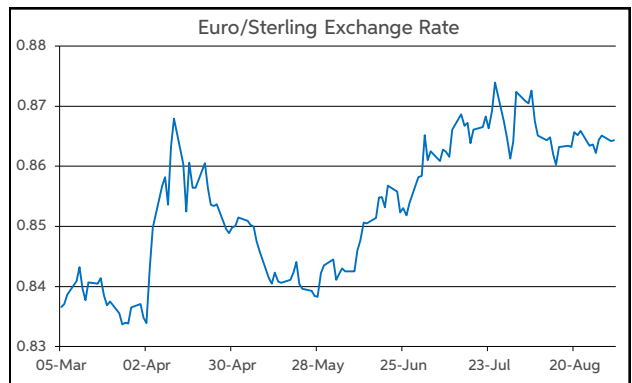
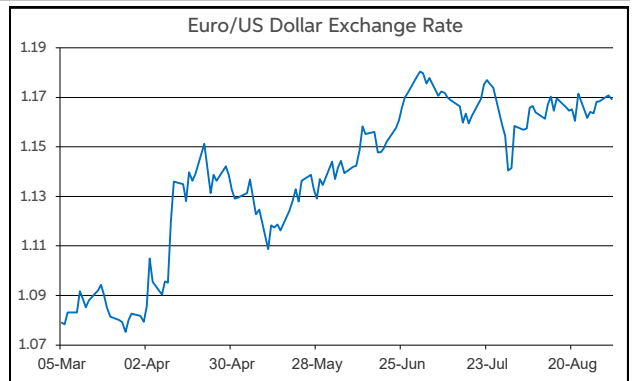
Data-wise, the main highlight was the Eurozone unemployment rate for July. In-line with expectations, the bloc-wide jobless rate printed at an all-time low of 6.2%. Elsewhere, the final reading of the Eurozone manufacturing PMI for August was revised slightly higher to 50.7 from 50.5, while the UK equivalent was revised lower to 47.0 from 47.3. However, the data releases had no major impact on financial markets.

On the currency front, the main FX pairs continued to operate in narrow trading ranges throughout the day. Of the limited moves to note, the euro was under a touch of downward pressure. Meanwhile overnight, there was a weaker tone to the yen.

As trading gets underway this morning, the marginally softer euro is evidenced by EUR/GBP opening back in the lower half of the 86-87p corridor. EUR/USD is down below the \$1.17 threshold also. Elsewhere, GBP/USD is changing hands in the bottom half of the \$1.35-1.36 band. USD/JPY is up in the top half of the ¥147-148 range.

Turning to the day ahead, the main release will be the flash reading of Eurozone HICP inflation for August. The consensus is for the headline rate to print at 2.0% for a third consecutive month, while the core rate is forecast to edge down to 2.3% from 2.4%. In the US, the manufacturing ISM for August is projected to stay in contraction mode, albeit while improving slightly in the month. However, barring any major surprises, the data many not influence investor sentiment.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1693	-0.13	12.94
EUR/GBP	0.8643	-0.18	4.47
GBP/USD	1.3522	0.04	8.08
GBP/EUR	1.1563	0.19	-4.28
USD/JPY	147.79	0.51	-5.97
EUR/JPY	172.82	0.38	6.19

* 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	4.38	4.25	4.15	3.75	3.67	3.62
EUR	2.00	1.86	2.06	2.07	2.08	2.34
GBP	4.00	3.96	3.97	3.85	4.01	4.09

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

Tuesday 02 September 2025
06:17 am



Euro

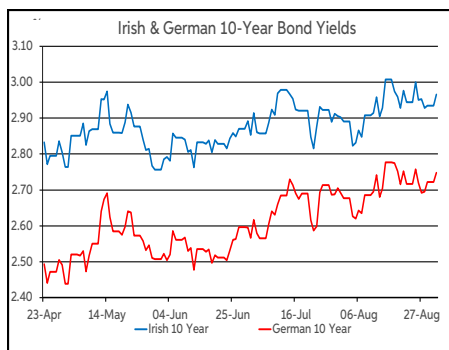
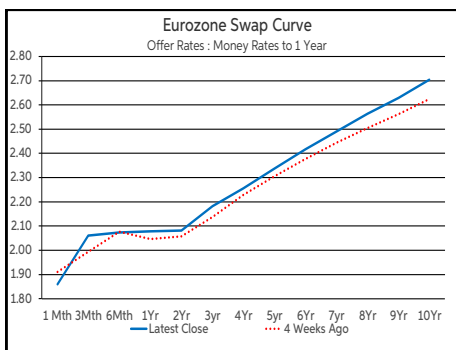
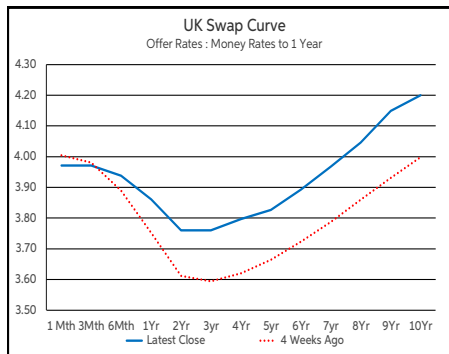
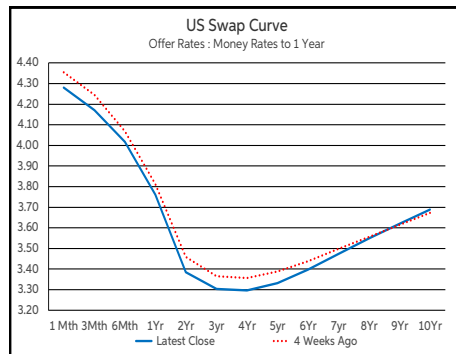
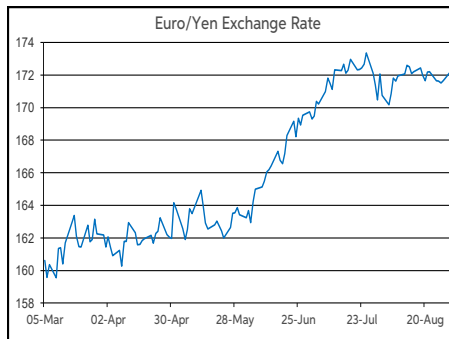
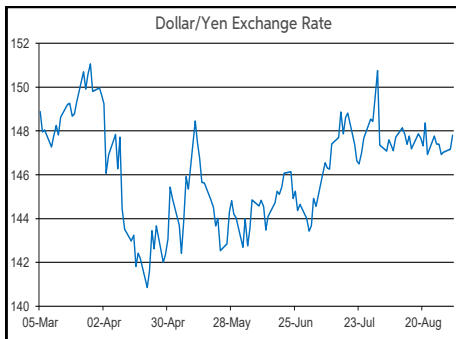
EUR/GBP	0.8643
EUR/USD	1.1693
EUR/JPY	172.82
EUR/SEK	11.0082
EUR/DKK	7.4636
EUR/NOK	11.706
EUR/CHF	0.937
EUR/AUD	1.7883
EUR/HKD	9.1237
EUR/CAD	1.6086

Sterling

GBP/EUR	1.1563
GBP/USD	1.3522
GBP/CAD	1.8602
GBP/NZD	2.2974
GBP/JPY	199.84
GBP/SEK	12.7315
GBP/DKK	8.6295
GBP/NOK	13.5328
GBP/CHF	1.0838
GBP/AUD	2.0683

Dollar

USD/JPY	147.79
USD/CAD	1.3756
USD/CHF	0.8011
USD/CNY	7.1433
USD/BRL	5.4395
USD/RUB	80.4
USD/INR	88.001
AUD/USD	0.6536
NZD/USD	0.5884



Debt Markets

	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.23	+2	+3	-35
Germany	2.75	+3	+12	+39
UK	4.76	+4	+25	+19
Ireland	3.01	+3	+14	+36
Belgium	3.33	+3	+18	+34
France	3.54	+2	+25	+34
Italy	3.64	+2	+17	+12
Spain	3.35	+2	+15	+29
Portugal	3.20	+2	+15	+35
Greece	3.46	+2	+12	+21
5 Year Swap %				
US	3.59	-0	-4	-70
Eurozone	2.33	+2	+4	+9
UK	4.09	+3	+19	-19
2 Year Swap %				
US	3.65	+0	-5	-69
Eurozone	2.07	+1	+3	-12
UK	4.01	+3	+16	-48
10 Year Government Bond Spreads to Benchmark bps				
Ireland	26	+0	+2	-3
Belgium	58	-0	+6	-4
France	79	-0	+13	-4
Italy	89	-1	+5	-27
Spain	60	-1	+3	-10
Portugal	45	-1	+3	-3
Greece	71	-0	-0	-18

Commodities

	Close	Day	4 Weeks	End 24
Brent Oil	68.15	+0.04	-0.89	-8.70
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3475.9	+0.84	+3.06	+32.47

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.