

## Markets unfazed by political turbulence, for now

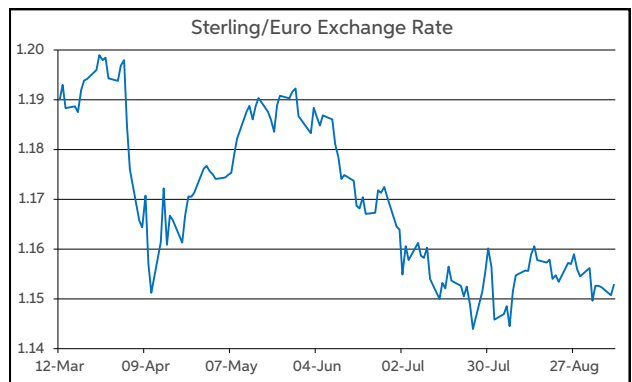
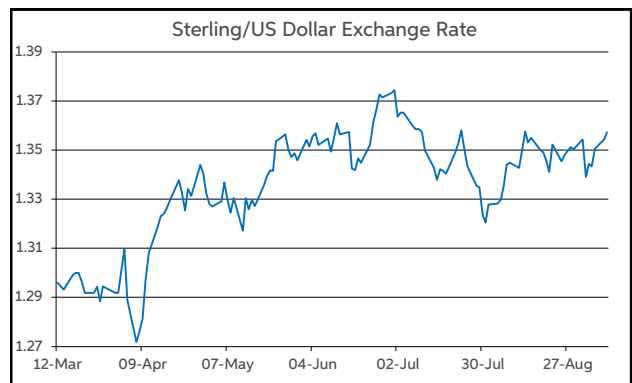
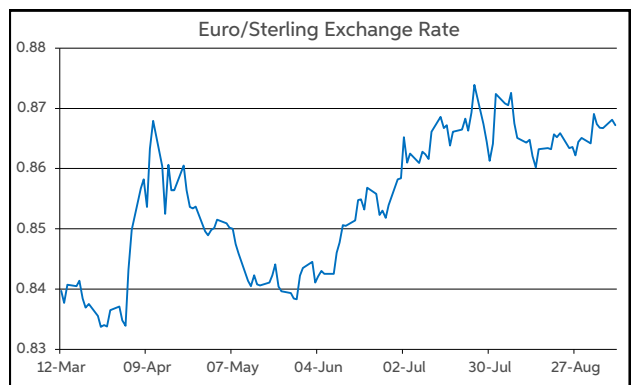
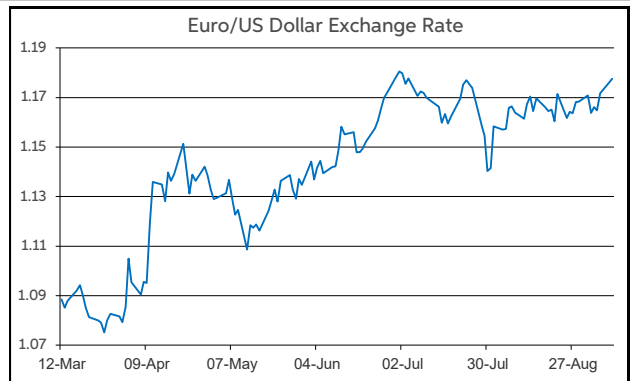
Somewhat surprisingly given the ongoing political turbulence in Japan and France, there was a positive tone to investor sentiment yesterday. In Japan, PM Ishiba announced at the weekend that he will resign as leader of the LDP. A leadership contest to replace him as party leader (and PM) will take place in early October. Meanwhile in France, PM Bayrou lost a no confidence in Parliament, as anticipated. President Macron will now have to decide to either appoint a new prime minister or to call for parliamentary elections.

Nevertheless the market reaction was limited. Indeed, benchmark sovereign bond yields continued to fall yesterday, finishing the day down by 2-8bps. The spread between the French and German 10-year yields narrowed by 2bps to 77bps. Elsewhere, the positive mood to investor sentiment was reflected by the Euro Stoxx 50 rising by 0.8%, having declined by 0.6% last week. Meantime, the S&P 500 edged 0.2% higher. At the same time, oil prices rose by circa 0.8%, as OPEC+ announced only a modest production increase starting in October. Brent crude is up at \$66 per barrel.

Currency-wise, the dollar was under some downward pressure amid the firmer tone to risk appetite. The greenback lost around 0.6% against the euro and sterling, and circa 0.8% versus the yen. In level terms, this sees EUR/USD open this morning up in the top half of the \$1.17-1.18 range. GBP/USD is changing hands in the upper region of \$1.35-1.36. Elsewhere, USD/JPY is back below the ¥147 handle. EUR/GBP remains in a narrow corridor, between 86.5-87p.

Turning to the day ahead, the data calendar is quiet on both sides of the Atlantic. Indeed, the only release of any significance will be US small business optimism for August. The US Bureau of Labour Statistics will also publish its preliminary benchmark revisions for non-farm payrolls for the period April 2024 - March 2025. Meanwhile, investors will keep one eye on political developments in France.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1776	0.55	13.74
EUR/GBP	0.8672	-0.05	4.82
GBP/USD	1.3573	0.58	8.49
GBP/EUR	1.1525	0.05	-4.60
USD/JPY	146.93	-0.84	-6.52
EUR/JPY	173.04	-0.28	6.32

\* 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	4.17	4.05	3.58	3.53	3.48
EUR	2.00	1.88	2.05	2.08	2.09	2.29
GBP	4.00	3.95	3.95	3.80	3.94	3.99

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

Tuesday 09 September 2025  
06:48 am



## Euro

EUR/GBP	0.8672
EUR/USD	1.1776
EUR/JPY	173.04
EUR/SEK	11.0059
EUR/DKK	7.467
EUR/NOK	11.7605
EUR/CHF	0.9323
EUR/AUD	1.7812
EUR/HKD	9.1698
EUR/CAD	1.6247

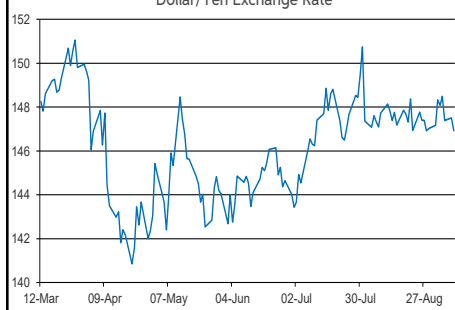
## Sterling

GBP/EUR	1.1525
GBP/USD	1.3573
GBP/CAD	1.8726
GBP/NZD	2.2791
GBP/JPY	199.43
GBP/SEK	12.6886
GBP/DKK	8.6059
GBP/NOK	13.5585
GBP/CHF	1.0748
GBP/AUD	2.0532

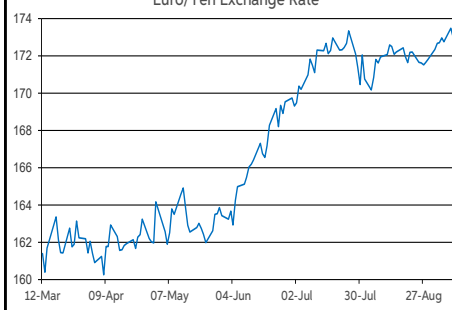
## Dollar

USD/JPY	146.93
USD/CAD	1.3796
USD/CHF	0.7917
USD/CNY	7.1227
USD/BRL	5.4212
USD/RUB	82.75
USD/INR	88.0587
AUD/USD	0.6608
NZD/USD	0.5952

Dollar/Yen Exchange Rate

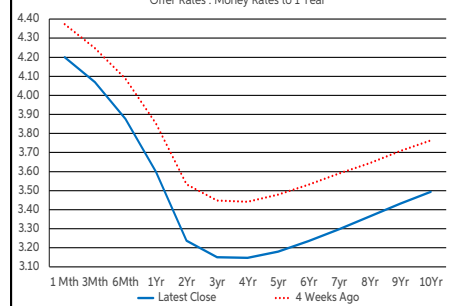


Euro/Yen Exchange Rate



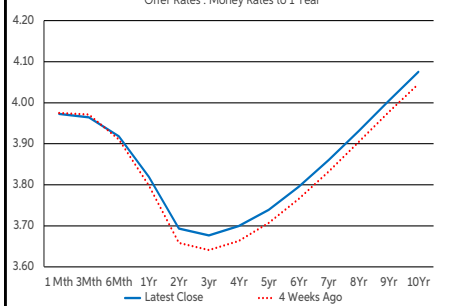
US Swap Curve

Offer Rates : Money Rates to 1 Year



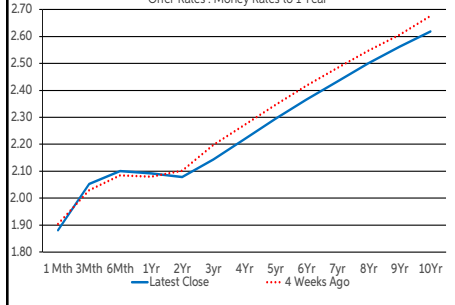
UK Swap Curve

Offer Rates : Money Rates to 1 Year

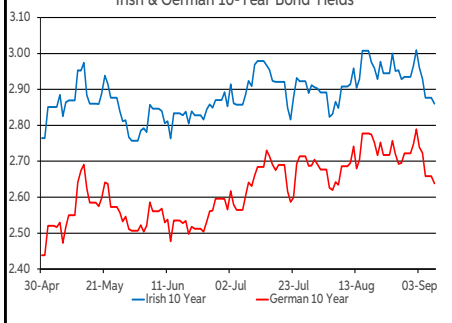


Eurozone Swap Curve

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	4.05	-4	-23	-53
Germany	2.64	-2	-6	+27
UK	4.61	-4	+4	+4
5 Year Swap %				
US	3.46	-2	-27	-84
Eurozone	2.28	-1	-6	+4
UK	3.98	-4	+4	-30
2 Year Swap %				
US	3.48	-4	-29	-85
Eurozone	2.06	-1	-2	-13
UK	3.93	-2	+5	-55
10 Year Government Bond Spreads to Benchmark bps				
Ireland	24	-2	-1	-5
Belgium	57	-0	+6	-5
France	77	-2	+11	-6
Italy	86	-1	+4	-30
Spain	59	-1	+2	-12
Portugal	42	-1	+2	-6
Greece	69	-1	+1	-19

## Commodities

	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	66.02	+0.79	-0.92	-11.55
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3635.4	+1.37	+8.71	+38.55

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