

Fed, BoE and BoJ in the spotlight this week

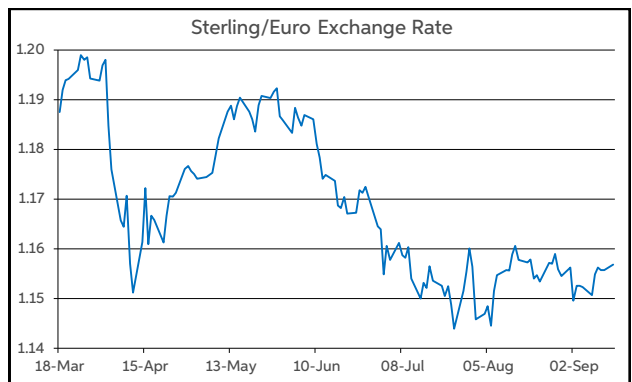
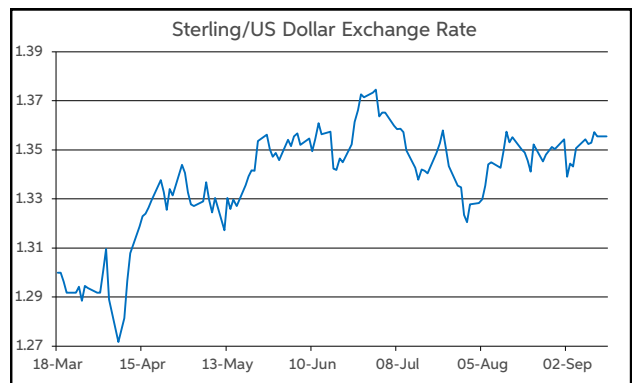
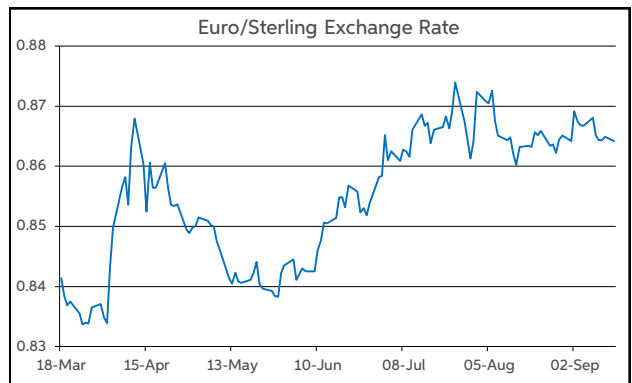
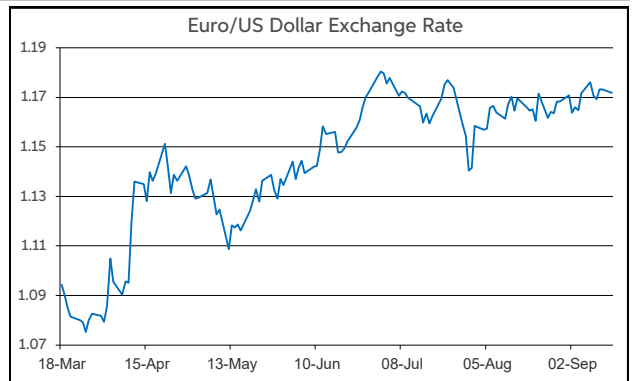
Overall, there was a relatively positive tone to investor sentiment throughout last week. This is evidenced by equity markets moving higher on both sides of the Atlantic. The Euro Stoxx 50 gained 1.4%, while on Wall Street, the S&P 500 rose by 1.6%. Meantime on bond markets, sovereign yields moved broadly in tandem. Yield curves flattened in the US, UK and Eurozone, as short-dated yields were 5-10bps higher and long-dated yields fell by 1-8bps.

As expected, the ECB left rates on hold for a second consecutive meeting last week. This contributed to a slight firming in Eurozone rate expectations, with markets becoming less sure that the ECB will lower rates again. Meantime in the US, rate expectations also firmed modestly last week, albeit markets are still pricing in an aggressive pace of easing (circa 140bps of cuts) from the Fed between now and end'26. However, there was no obvious catalyst for the move. The main US release last week - CPI inflation, printed in-line with the consensus and caused a muted market reaction, although it should be noted that both the headline and core rates remain elevated.

Currency-wise, the main FX pairs operated in narrow trading ranges throughout the week. Of the limited moves to notes, sterling registered some gains. This sees EUR/GBP start today back below the midpoint of 86-87p. GBP/USD is up at the halfway mark of \$1.35-1.36. Elsewhere, EUR/USD opens in the lower half of \$1.17-1.18.

This week, the monetary policy spotlight will be on the Fed, BoE and the BoJ. The Fed is widely expected to cut interest rates for the first time this year, by 25bps. The post-meeting press conference and update forecasts will also garner attention, as investors look for guidance on the future path of policy. Both the BoE and the BoJ are set to leave rates unchanged. Data-wise, a busy week in the UK includes the latest batch of inflation, labour market and retail sales figures. US retail sales and industrial production data are also due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1719	-0.04	13.19
EUR/GBP	0.8642	-0.06	4.46
GBP/USD	1.3556	0.01	8.35
GBP/EUR	1.1566	0.06	-4.27
USD/JPY	147.55	0.05	-6.13
EUR/JPY	172.95	0.01	6.27

* 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	4.15	4.03	3.61	3.59	3.55
EUR	2.00	1.88	2.00	2.10	2.15	2.37
GBP	4.00	3.96	3.96	3.84	3.99	4.04

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

Monday 15 September 2025
07:40 am



Euro

EUR/GBP	0.8642
EUR/USD	1.1719
EUR/JPY	172.95
EUR/SEK	10.929
EUR/DKK	7.4643
EUR/NOK	11.5458
EUR/CHF	0.9339
EUR/AUD	1.7604
EUR/HKD	9.1124
EUR/CAD	1.6212

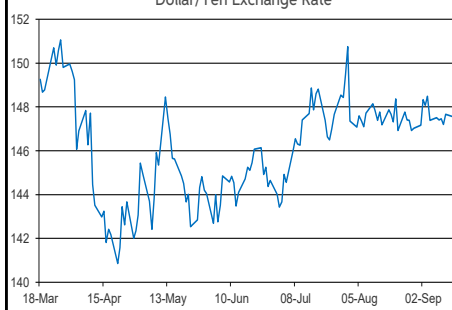
Sterling

GBP/EUR	1.1566
GBP/USD	1.3556
GBP/CAD	1.8753
GBP/NZD	2.2759
GBP/JPY	200.02
GBP/SEK	12.642
GBP/DKK	8.6346
GBP/NOK	13.3554
GBP/CHF	1.0802
GBP/AUD	2.0363

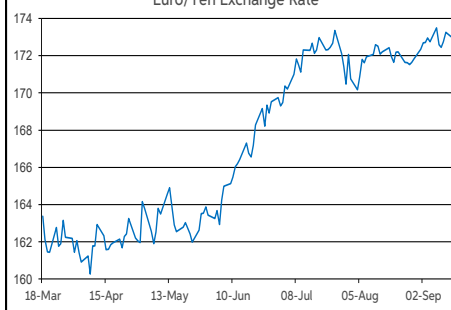
Dollar

USD/JPY	147.55
USD/CAD	1.3834
USD/CHF	0.7969
USD/CNY	7.1226
USD/BRL	5.3497
USD/RUB	83.75
USD/INR	88.2625
AUD/USD	0.6654
NZD/USD	0.5953

Dollar/Yen Exchange Rate

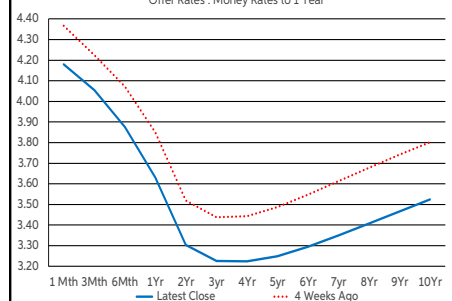


Euro/Yen Exchange Rate



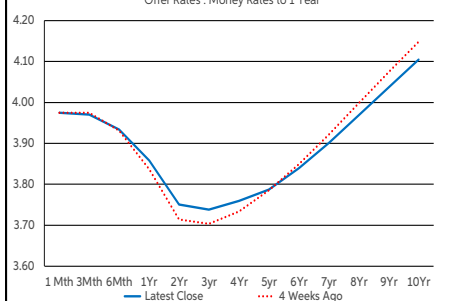
US Swap Curve

Offer Rates : Money Rates to 1 Year



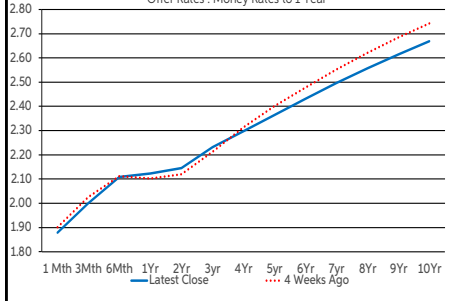
UK Swap Curve

Offer Rates : Money Rates to 1 Year

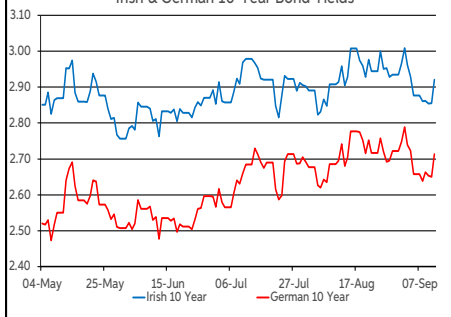


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.06	+5	-27	-52
Germany	2.71	+6	-7	+35
UK	4.67	+6	-2	+10
Ireland	2.96	+8	-7	+31
Belgium	3.25	+5	-6	+27
France	3.50	+6	+3	+31
Italy	3.55	+7	+3	+3
Spain	3.29	+5	-6	+22
Portugal	3.13	+5	-4	+28
Greece	3.40	+5	+4	+15
5 Year Swap %				
US	3.52	+3	-21	-77
Eurozone	2.35	+4	-4	+11
UK	4.04	+5	+1	-25
2 Year Swap %				
US	3.56	+1	-20	-77
Eurozone	2.12	-0	+2	-7
UK	3.99	+4	+5	-49
10 Year Government Bond Spreads to Benchmark bps				
Ireland	25	+2	-1	-4
Belgium	54	-2	+0	-8
France	79	-1	+10	-4
Italy	83	+0	+9	-32
Spain	57	-1	+0	-13
Portugal	41	-2	+2	-7
Greece	69	-1	+11	-20

Commodities

	Close	Day	4 Weeks	End 24
Brent Oil				
Brent Oil	66.99	+0.93	+1.73	-10.25
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3642.6	+0.24	+9.22	+38.83

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