

BoE leaves rates at 4.0%

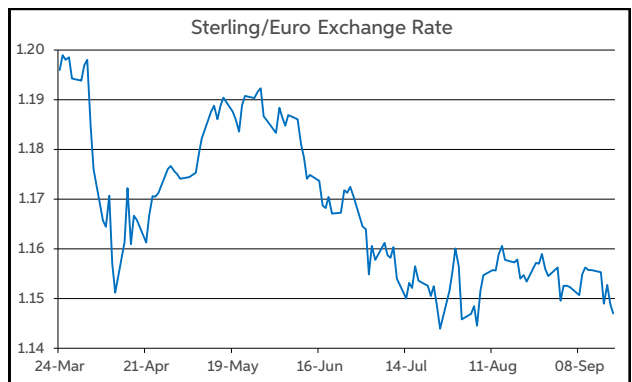
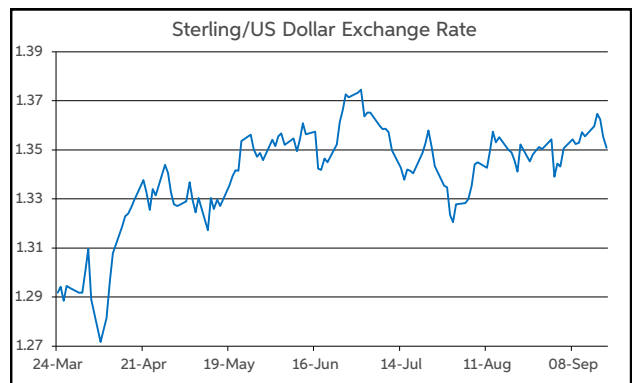
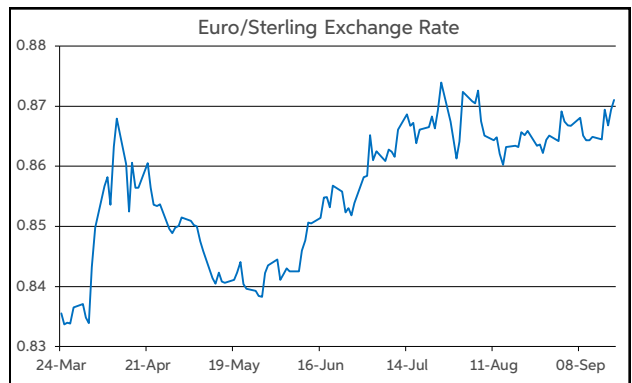
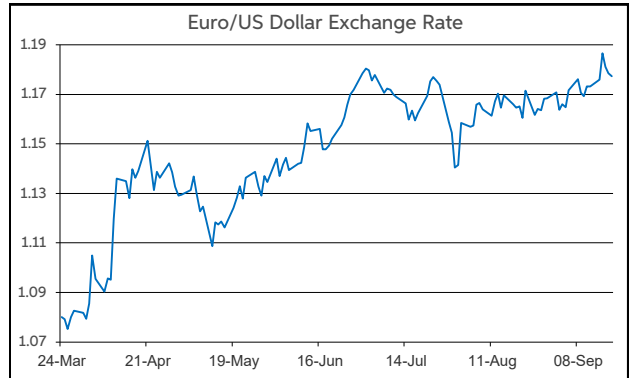
As expected, the BoE left the bank rate at 4.0% yesterday. However, the decision was not unanimous once again, with two members of the nine strong committee, voting to cut rates by 25bps. The BoE also voted by 7-2 in favour of slowing its quantitative tightening programme to £72bn in the coming year, from £100bn currently. Despite the dovish tilt to the voting breakdown, the BoE offered little in the way of guidance on the future path of policy. Indeed, the overarching tone in the meeting minutes suggests that the BoE is prepared to slow the pace of policy easing in the near-term.

Overall, there was a somewhat muted reaction on markets. Current pricing suggests markets see less than a 10% chance that the BoE will cut rates at its next meeting in November. Furthermore, markets are attaching just a 35% probability to the BoE lowering rates again this year. The next cut is not fully priced-in until April 2026.

Elsewhere, there was a positive tone to risk appetite, as investors continued to digest the first Fed rate cut since December on Wednesday night. The Euro Stoxx 50 gained 1.6%, while the S&P 500 rose by 0.5%. Meantime, bond yields moved higher on both sides of the Atlantic, led by the long-end of curves. On the currency front, sterling was on the defensive in the aftermath of the BoE policy announcement. At the same time, the yen was little changed by the BoJ decision to hold policy steady overnight. In level terms, this sees EUR/GBP open this morning above the 87p mark. GBP/USD is back near \$1.35. Elsewhere, EUR/USD is in the top half of \$1.17-1.18. USD/JPY is above the midpoint of ¥147-148.

Already today, UK retail sales have printed a touch above the consensus, rising by 0.5% in August (vs. +0.3% f'cast). However, consumer confidence deteriorated to -19.0 in September (vs. -18.0 f'cast). The data have coincided with a slight weakening in sterling in early trading. The remainder of today's macro calendar is sparse.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1773	-0.18	13.72
EUR/GBP	0.871	0.48	5.28
GBP/USD	1.3509	-0.70	7.98
GBP/EUR	1.1474	-0.48	-5.02
USD/JPY	147.66	0.33	-6.06
EUR/JPY	173.85	0.13	6.82

* 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	4.13	4.15	4.00	3.60	3.60	3.59
EUR	2.00	1.92	2.02	2.11	2.16	2.39
GBP	4.00	3.96	3.96	3.85	4.00	4.05

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

Friday 19 September 2025
07:43 am



Euro

EUR/GBP	0.871
EUR/USD	1.1773
EUR/JPY	173.85
EUR/SEK	11.0361
EUR/DKK	7.4639
EUR/NOK	11.6605
EUR/CHF	0.9341
EUR/AUD	1.7843
EUR/HKD	9.1556
EUR/CAD	1.6258

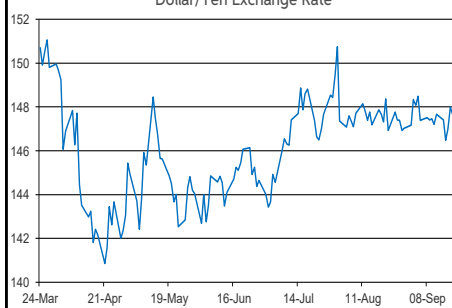
Sterling

GBP/EUR	1.1474
GBP/USD	1.3509
GBP/CAD	1.8654
GBP/NZD	2.3035
GBP/JPY	199.47
GBP/SEK	12.6635
GBP/DKK	8.5632
GBP/NOK	13.3788
GBP/CHF	1.0717
GBP/AUD	2.0473

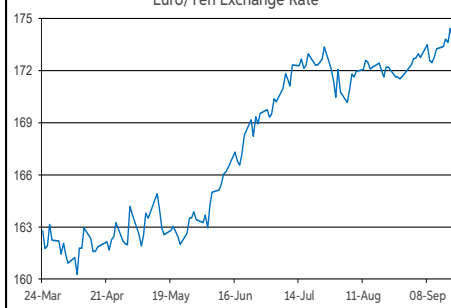
Dollar

USD/JPY	147.66
USD/CAD	1.3811
USD/CHF	0.7933
USD/CNY	7.1118
USD/BRL	5.305
USD/RUB	83.2
USD/INR	88.2863
AUD/USD	0.6595
NZD/USD	0.5861

Dollar/Yen Exchange Rate

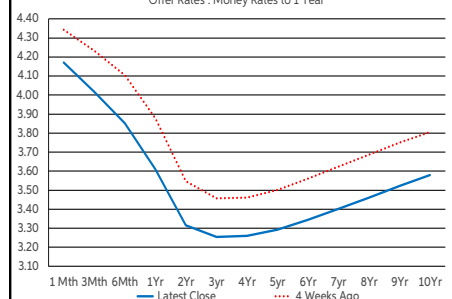


Euro/Yen Exchange Rate



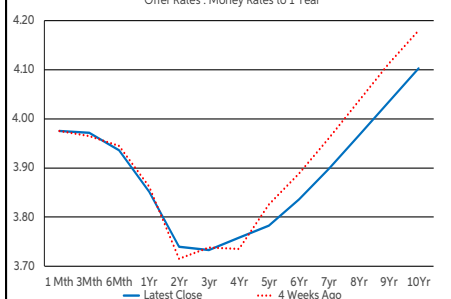
US Swap Curve

Offer Rates : Money Rates to 1 Year



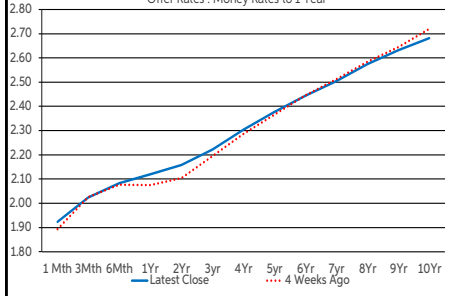
UK Swap Curve

Offer Rates : Money Rates to 1 Year

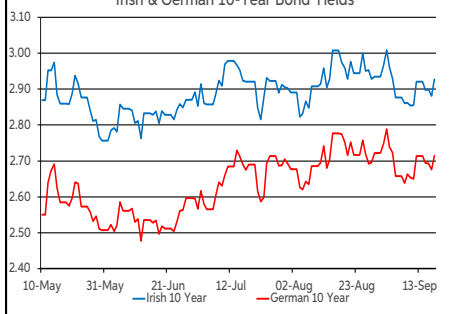


Eurozone Swap Curve

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	4.10	+3	-23	-47
Germany	2.72	+4	-4	+35
UK	4.68	+6	-5	+11
Ireland	2.97	+5	-5	+32
Belgium	3.27	+5	-4	+29
France	3.54	+5	+8	+35
Italy	3.55	+5	-6	+3
Spain	3.29	+5	-6	+22
Portugal	3.13	+3	-5	+28
Greece	3.40	+3	-5	+15
5 Year Swap %				
US	3.55	-0	-19	-74
Eurozone	2.37	+2	+1	+14
UK	4.03	+1	-4	-25
2 Year Swap %				
US	3.57	-1	-23	-77
Eurozone	2.12	-1	+2	-7
UK	3.98	-1	-1	-51
10 Year Government Bond Spreads to Benchmark bps				
Ireland	25	+1	-1	-3
Belgium	55	+1	-1	-7
France	82	+1	+12	-1
Italy	83	+1	-2	-32
Spain	57	+1	-2	-13
Portugal	41	-1	-1	-7
Greece	69	-1	-1	-20

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	67.44	-0.75	-0.34	-9.65
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3644.0	-0.43	+9.15	+38.88

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