

## US Government shutdown risk this week

There was a generally cautious tone to market sentiment last week. However, this must be viewed in the context of many of the main equity indices registering new record highs earlier in the month. At the closing bell on Wall Street on Friday night, the benchmark S&P 500 index was 0.3% lower on the week. From a currency viewpoint, the dollar held a firmer tone for much of last week. Some less dovish comments from a number of Fed speakers, which coincided with a firming in US futures contracts provided a supportive backdrop for the dollar. The currency was also boosted by US macro data tending to surprise to the upside of expectations. This included Q2 GDP being revised higher to an annualised 3.8% growth rate (from 3.3%).

In level terms, EUR/USD traded down to a low near \$1.165 last week, GBP/USD fell below \$1.34, while USD/JPY traded to a high of ¥149.9. However, the risk of a US government shutdown this week has put the dollar under some pressure over the last 24 hours. EUR/USD starts this week back above the \$1.17 threshold, GBP/USD is operating in the lower half of \$1.34-1.35, and USD/JPY is below the ¥149 mark. Elsewhere, EUR/GBP remains confined to a narrow trading range in the lower half of the 87-88p band.

Ahead this week, the initial focus for markets will be the aforementioned risk of a US government shutdown on Wednesday, which could impact the publication of official US data. In this regard, the key scheduled data event is on Friday with a raft of US labour market data due for September, including the much-anticipated non-farm payrolls. The recent softness in jobs growth underpinned the Fed's decision to resume its rate cutting cycle this month. From a euro perspective, the main release of note is the flash reading of HICP inflation (Sept). However, barring any significant results versus the consensus it may not be much of a dial mover for the euro. Meantime, for sterling, the UK macro diary is sparse this week.

**John Fahey, Senior Economist, AIB**

### Today's Opening FX Rates

		% Change	
		Day *	End 2024
EUR/USD	1.1723	0.39	13.23
EUR/GBP	0.872	-0.27	5.40
GBP/USD	1.3439	0.65	7.42
GBP/EUR	1.1462	0.28	-5.13
USD/JPY	148.76	-0.59	-5.36
EUR/JPY	174.4	-0.21	7.16

\* v Previous Day's European Open

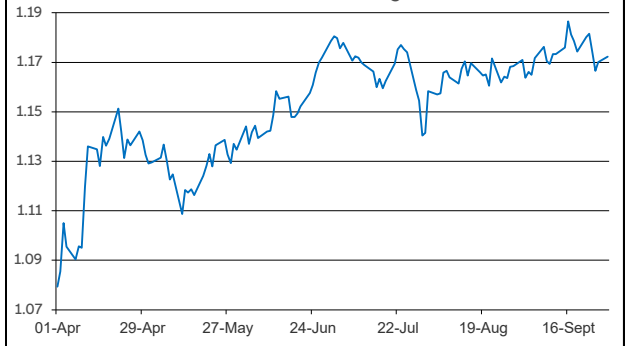
See Next Page for More Rates

### Opening Interest Rates

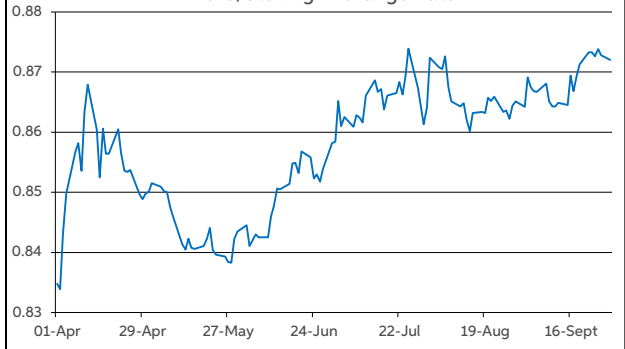
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.13	NULL	NULL	NULL	3.70	3.69
EUR	2.00	1.91	2.00	NULL	2.18	2.41
GBP	4.00	NULL	NULL	NULL	4.03	4.12

All rates quoted are indicative market rates

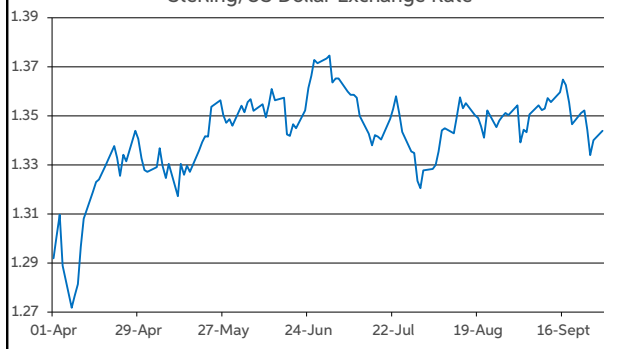
Euro/US Dollar Exchange Rate



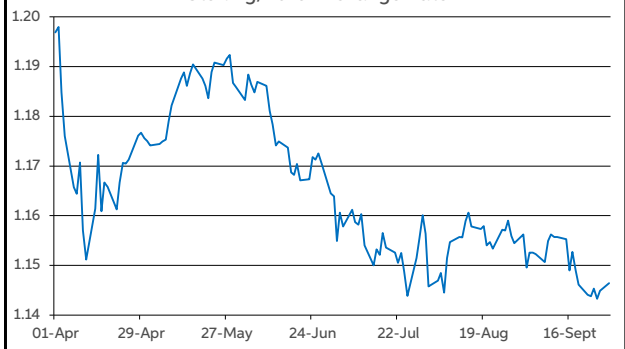
Euro/Sterling Exchange Rate



Sterling/US Dollar Exchange Rate



Sterling/Euro Exchange Rate



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 29 September 2025  
07:23 am



## Euro

EUR/GBP	0.872
EUR/USD	1.1723
EUR/JPY	174.4
EUR/SEK	10.9962
EUR/DKK	7.4641
EUR/NOK	11.6681
EUR/CHF	0.9333
EUR/AUD	1.7841
EUR/HKD	9.122
EUR/CAD	1.632

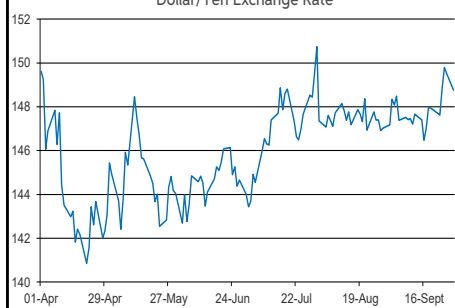
## Sterling

GBP/EUR	1.1462
GBP/USD	1.3439
GBP/CAD	1.8707
GBP/NZD	2.3203
GBP/JPY	199.92
GBP/SEK	12.6048
GBP/DKK	8.5543
GBP/NOK	13.377
GBP/CHF	1.0702
GBP/AUD	2.0452

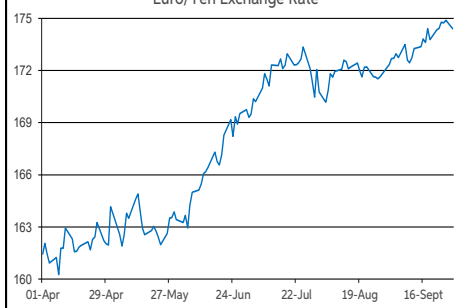
## Dollar

USD/JPY	148.76
USD/CAD	1.392
USD/CHF	0.7961
USD/CNY	7.1197
USD/BRL	5.3496
USD/RUB	83.1
USD/INR	88.745
AUD/USD	0.6567
NZD/USD	0.5788

Dollar/Yen Exchange Rate

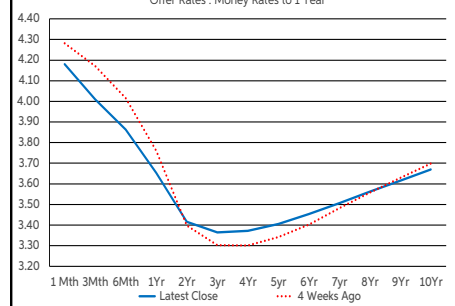


Euro/Yen Exchange Rate



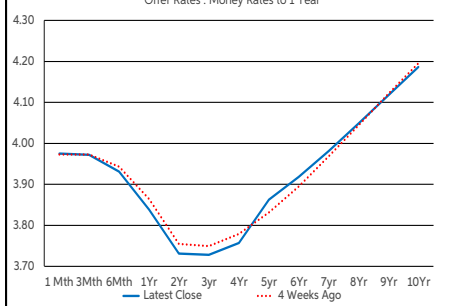
US Swap Curve

Offer Rates : Money Rates to 1 Year



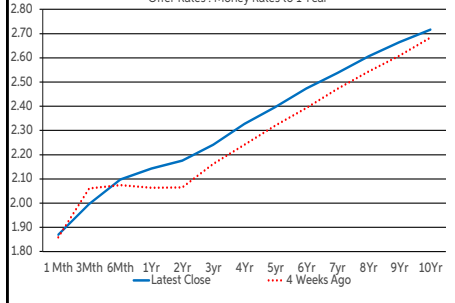
UK Swap Curve

Offer Rates : Money Rates to 1 Year

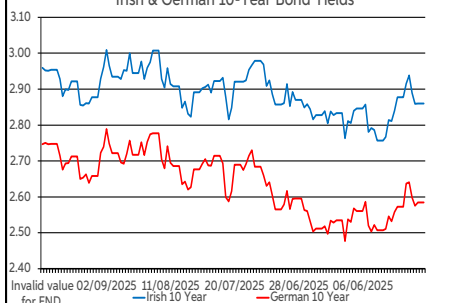


Eurozone Swap Curve

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	4.19	+1	-4	-39
Germany	2.75	-3	+2	+38
UK	4.75	-1	+2	+17
5 Year Swap %				
US	3.68	+1	+9	-61
Eurozone	2.39	-4	+9	+16
UK	4.12	+2	+6	-17
2 Year Swap %				
US	3.68	+1	+4	-65
Eurozone	2.15	-2	+9	-4
UK	4.03	+2	+6	-45
10 Year Government Bond Spreads to Benchmark bps				
Ireland	26	+1	+1	-2
Belgium	55	-2	-3	-7
France	82	-1	+3	-1
Italy	86	-1	-3	-29
Spain	56	-0	-4	-14
Portugal	43	-0	-3	-6
Greece	70	-2	-1	-18

## Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	70.13	+1.02	+2.95	-6.04
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3759.6	+0.29	+9.08	+43.29

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