

## Sterling on the front-foot

Investor sentiment was holding a slightly positive tone yesterday. On equity markets, the Euro Stoxx 50 rose by a meagre 0.1%. In contrast though, the S&P 500 gained 0.3%. In terms of fixed income, German Bund and US Treasury yields edged 1-2bps lower along the curve. Meanwhile, UK Gilt yields fell by 2-6bps. The move was most pronounced at the long-end of the curve.

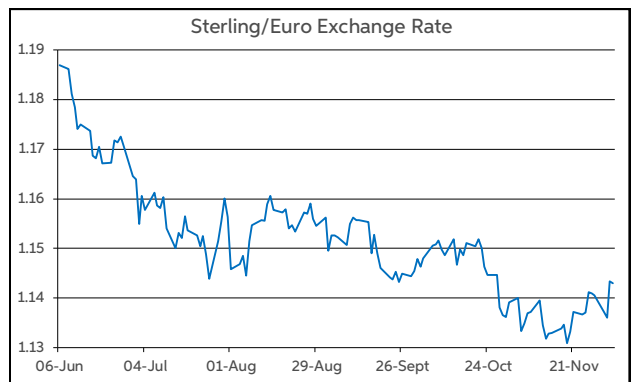
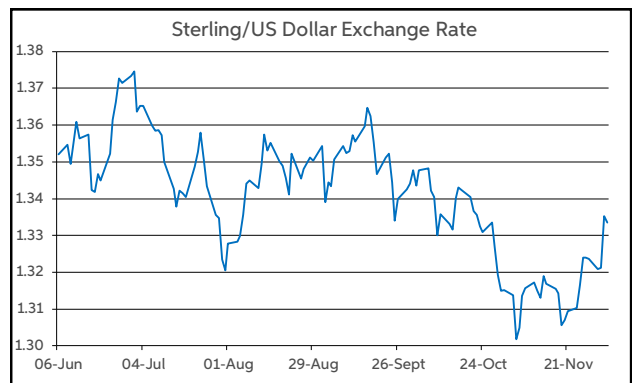
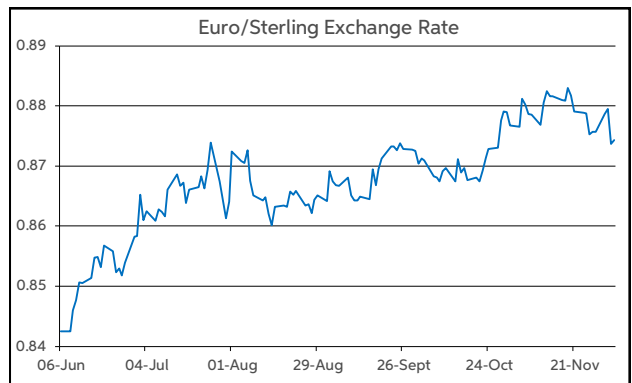
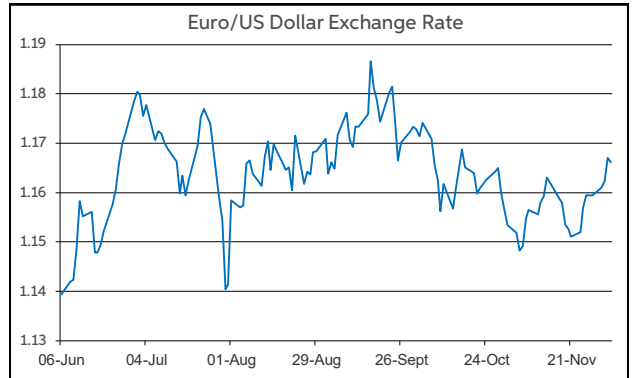
Data-wise, the US ADP employment report indicated that the private sector shed 32k jobs in November, undershooting the consensus for a 10k rise. Elsewhere, US industrial production rose by 0.1% in September (vs. +0.0% f'cast), albeit output in August was revised down to -0.3% from +0.1%. At the same time, both the Eurozone and the UK services PMIs for November printed above the flash estimate, indicating a sharper pace of expansion in the month compared to the initial reading.

Against this backdrop, the dollar was on the defensive yesterday. Meanwhile, sterling was on the front-foot, having benefitted from the marked revision to the services PMI. Overall, the greenback fell by around 0.2% versus the euro and by 0.7% against the pound.

As trading gets underway this morning, the firmer tone to sterling is reflected by EUR/GBP opening just below the midpoint of the 87-88p range. Elsewhere, EUR/USD is in the top half of the \$1.16-1.17 corridor. GBP/USD is operating up above the \$1.33 threshold. USD/JPY has edged slightly lower, but remains in the ¥155-156 band.

Turning to the day ahead, the macro calendar is quite sparse on both sides of the Atlantic. Of the limited releases to note, Eurozone retail sales are forecast to stagnate in October. Meanwhile, the latest initial jobless claims are forecast to rise slightly to 220k in the last week of November, from 216k previously.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.1662	0.17	12.64
EUR/GBP	0.8744	-0.56	5.69
GBP/USD	1.3335	0.76	6.59
GBP/EUR	1.1433	0.56	-5.39
USD/JPY	155.24	-0.28	-1.23
EUR/JPY	181.04	-0.12	11.24

\* 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	3.88	3.81	3.73	3.48	3.56	3.62
EUR	2.00	1.90	2.04	2.14	2.20	2.46
GBP	4.00	3.84	3.77	3.57	3.75	3.87

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

Thursday 04 December 2025  
07:54 am



## Euro

EUR/GBP	0.8744
EUR/USD	1.1662
EUR/JPY	181.04
EUR/SEK	10.9519
EUR/DKK	7.4685
EUR/NOK	11.732
EUR/CHF	0.9338
EUR/AUD	1.7632
EUR/HKD	9.0781
EUR/CAD	1.6284

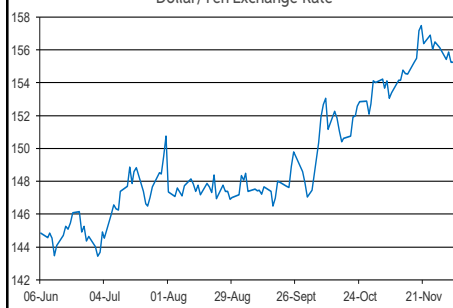
## Sterling

GBP/EUR	1.1433
GBP/USD	1.3335
GBP/CAD	1.8617
GBP/NZD	2.3091
GBP/JPY	207.01
GBP/SEK	12.523
GBP/DKK	8.5405
GBP/NOK	13.4162
GBP/CHF	1.0674
GBP/AUD	2.0155

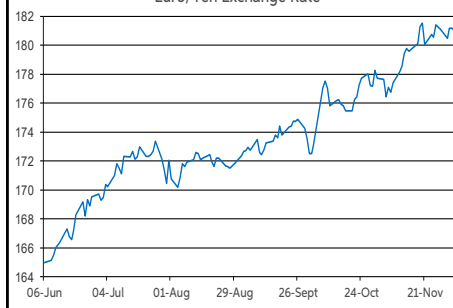
## Dollar

USD/JPY	155.24
USD/CAD	1.3965
USD/CHF	0.8004
USD/CNY	7.0676
USD/BRL	5.3074
USD/RUB	76.9
USD/INR	90.059
AUD/USD	0.6613
NZD/USD	0.5772

Dollar/Yen Exchange Rate

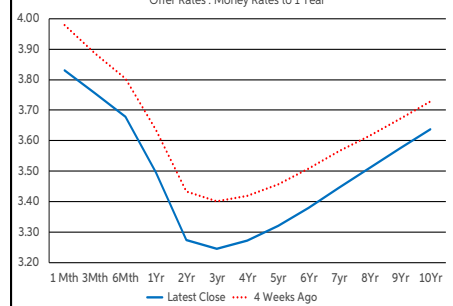


Euro/Yen Exchange Rate



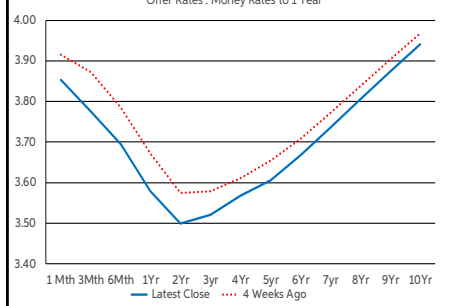
US Swap Curve

Offer Rates : Money Rates to 1 Year



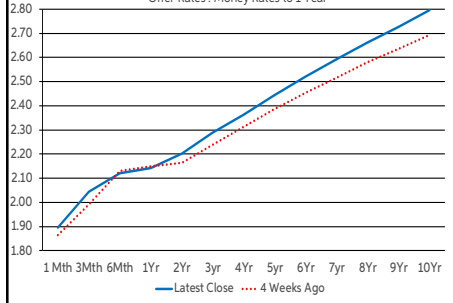
UK Swap Curve

Offer Rates : Money Rates to 1 Year

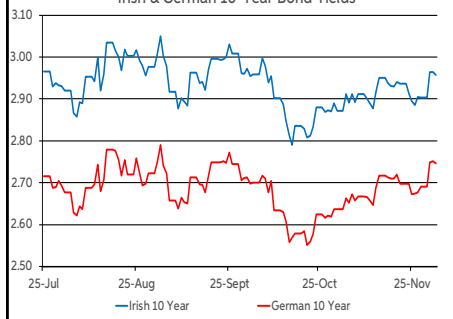


Eurozone Swap Curve

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	4.06	-3	-10	-52
Germany	2.75	-1	+7	+38
UK	4.45	-2	-1	-12
Ireland	2.96	-1	+4	+31
Belgium	3.26	-0	+4	+28
France	3.49	-0	+3	+30
Italy	3.45	-2	+2	-7
Spain	3.22	-1	+4	+16
Portugal	3.08	+1	+5	+23
Greece	3.36	-2	+5	+11
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5 Year Swap %				
US	3.56	-3	-14	-73
Eurozone	2.43	-1	+8	+20
UK	3.86	-1	-3	-42
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2 Year Swap %				
US	3.54	-1	-14	-79
Eurozone	2.16	-2	+2	-3
UK	3.74	-1	-7	-75
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10 Year Government Bond Spreads to Benchmark bps				
Ireland	21	-0	-3	-8
Belgium	51	+0	-3	-10
France	75	+0	-4	-9
Italy	70	-2	-5	-46
Spain	47	-0	-4	-23
Portugal	33	+1	-2	-15
Greece	62	-2	-2	-27

## Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	62.67	+0.35	-1.34	-16.04
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4206.0	-0.03	+5.61	+60.30

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