Monday 09 November 2026
07:41 am

Morning Comment

AIB Treasury Economic Research Unit

FX shrugs an otherwise volatile week on markets

Trading conditions were volatile throughout last week. The US midterm election results, ongoing jitters in relation to AI, monetary policy and data releases, all impacted investor sentiment. Notably, the "blue wave" in the US midterms led to a marked decline in wholesale energy prices, as many, sighted the war in the Middle East as a contributing factor for the results. Brent crude oil fell by circa 12% to below $100/bbl, while European natural gas plunged by over 16%, back to around €87/MWh. However, concerns that the Democrats may move to restrict the AI boom led to sharp falls in tech sector valuations, resulting in the S&P 500 declining by 2.7% on the week.

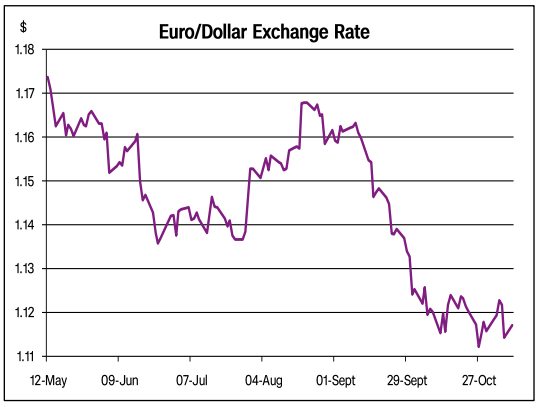
On the monetary policy front, the BoE hiked the bank rate by 25bps to 4.00%, as expected. The main message from the BoE was that the near-term path of rates is highly dependent on the emergence of second round inflation effects. Meanwhile, the US labour market report for October printed above the consensus. Payrolls rose by 165k in the month (vs. 65k f'cast) while the unemployment rate declined to 4.1% (vs. 4.2% f'cast).

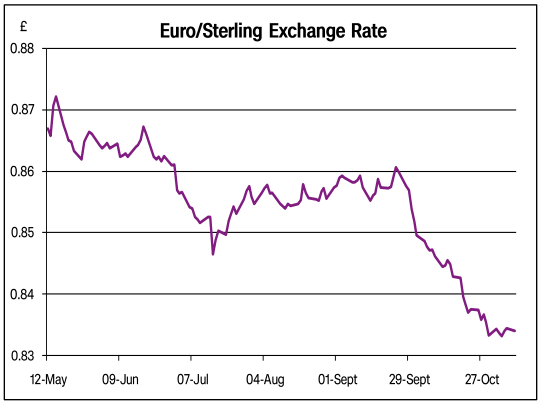
All of the above had a significant impact on market interest rate expectations. However, the most substantial factor at play was the US election results which precipitated the fall in energy prices and concerns regarding the AI boom. This lead to a softening in interest rate expectations across the board, with fewer rate hikes now priced-in for the Eurozone, UK and US.

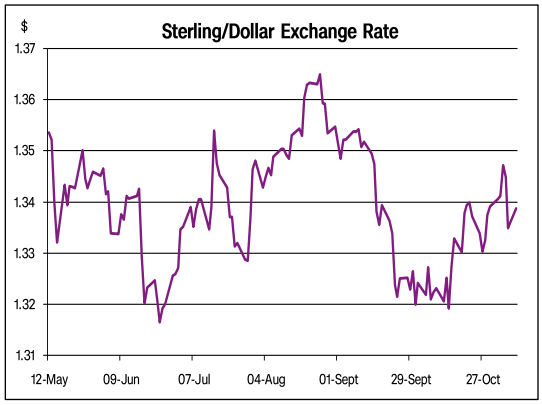
However, despite the volatility elsewhere, FX markets were remarkably range bound. EUR/USD traded between $1.113-1.127, GBP/USD operated between $1.334-1.350 and EUR/GBP changed hands around the midpoint of 83-84p during the week. All three start today in the lower half of these ranges, at levels almost identical to last Monday's open.

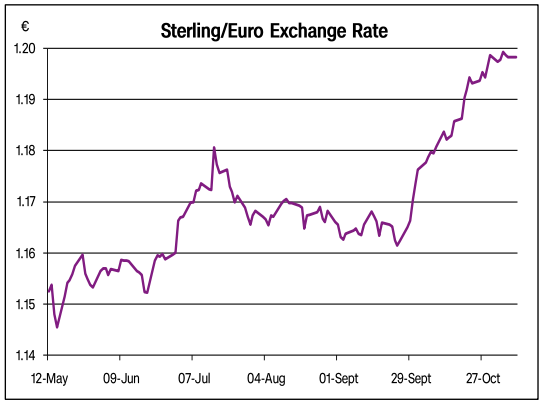
Looking to the week ahead, developments in the Middle East and in relation to the AI sector will remain in focus. On the data front, the main release will be US CPI inflation for October.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1171	-0.21	-4.89
EUR/GBP	0.8342	+0.05	-4.28
GBP/USD	1.3390	-0.25	-0.62
GBP/EUR	1.1984	-0.05	4.47
USD/JPY	158.07	+0.18	0.91
EUR/JPY	176.59	-0.04	-4.02

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates

		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	3.88	3.90	4.05	4.31	4.64	4.62
EUR	2.50	2.47	2.79	3.18	3.27	3.28
GBP	4.00	3.98	4.09	4.49	4.83	4.81

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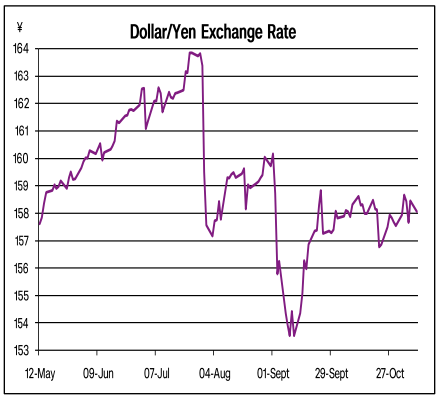
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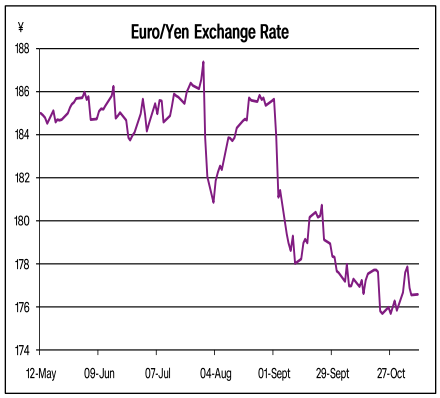
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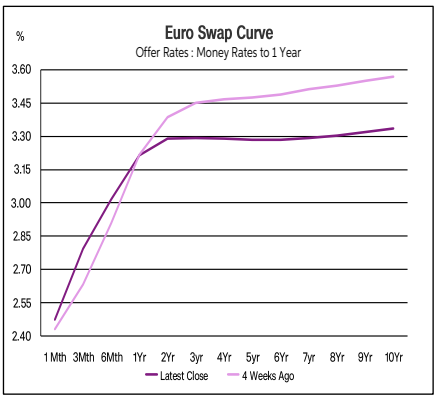
Opening Levels

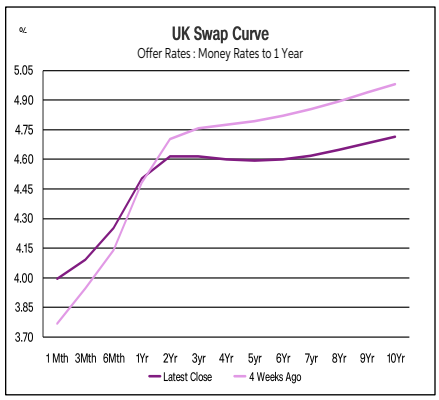
Today's Opening Rates

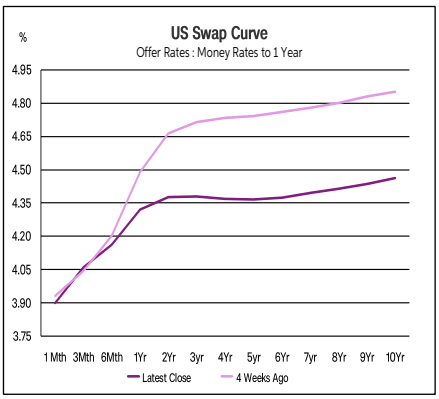
Euro		Sterling		Dollar	
EUR/GBP	0.8342	GBP/EUR	1.1984	USD/JPY	158.07
EUR/USD	1.1171	GBP/USD	1.339	USD/CAD	1.4095
EUR/JPY	176.59	GBP/CAD	1.8871	USD/CHF	0.8183
EUR/SEK	11.0088	GBP/NZD	2.3921	USD/CNY	6.674
EUR/DKK	7.4753	GBP/JPY	211.66	USD/BRL	5.5079
EUR/NOK	10.5573	GBP/SEK	13.1934	USD/RUB	82.1125
EUR/CHF	0.9143	GBP/DKK	8.9598	USD/INR	94.05
EUR/AUD	1.6226	GBP/NOK	12.6527		
EUR/HKD	8.7599	GBP/CHF	1.0958	AUD/USD	0.6884
EUR/CAD	1.5744	GBP/AUD	1.9446	NZD/USD	0.5595

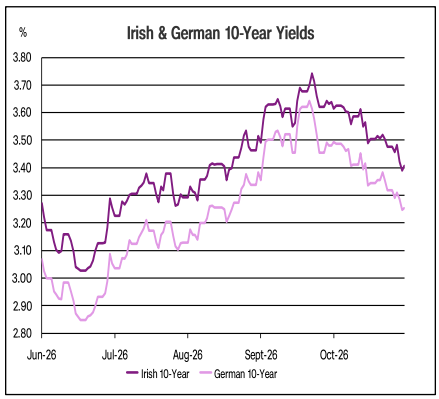












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.86	+2	-39	+71
Germany	3.25	+1	-23	+39
UK	5.16	+2	-29	+68
Ireland	3.41	+2	-22	+38
Belgium	4.24	-2	-9	+89
France	4.76	-2	-9	+120
Italy	4.34	-0	-25	+83
Spain	3.84	+1	-27	+55
Portugal	3.70	+0	-29	+54
Greece	4.13	+1	-29	+65
5 Year Swap %				
US	4.62	+4	-38	+89
Eurozone	3.28	+2	-19	+72
UK	4.83	-1	-17	+93
2 Year Swap %				
US	4.62	+5	-29	+105
Eurozone	3.28	+1	-8	+103
UK	4.84	-2	-7	+111
10 Year Government Bond Spreads to Benchmark bps				
Ireland	15	+1	+1	-1
Belgium	99	-2	-2	+14
France	151	-2	-2	+14
Italy	109	-1	-1	-1
Spain	58	-0	-0	-3
Portugal	45	-1	-6	+15
Greece	87	+1	-6	-6

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	98.32	+0.03	-6.11	+61.58
West Texas Oil	94.37	+0.34	-4.42	+64.81
Gold $	4065.6	-0.53	-3.06	-5.76

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