



Weekly overview of short news

- The price of gold rose from \$3,888.41 to \$4,017.79 per ounce in this reporting week due to increased demand for safe assets.
- The price of oil fell during this week from \$66.07 per barrel to \$62.74 per barrel.
- The President of France, Emmanuel Macron, appointed Sébastien Lecornu again as prime minister on Friday, just four days after he had already resigned from that position.

EUR/USD



The EUR/USD exchange rate had a downward trend for most of the week. The euro weakened against the dollar early week due to the resignation of the French Prime Minister and statements by the senior ECB officials that an interest rate cut may be necessary, but that rates are now at an appropriate level. The French President, Emmanuel Macron, asked Lecornu to unite the opposing parties by Wednesday to jointly tackle the mounting debt and encourage investors. Towards the end of the day on Wednesday, the euro recovered as the minutes from the latest Fed meeting confirmed that additional interest rate cuts are possible in the U.S. The EUR/USD exchange rate fell to a two-week low on Thursday, as political instability in France undermined confidence in the European currency. The exchange rate rose on the last day of this reporting period once the U.S. President Trump said he could increase tariffs on goods from China, which recently introduced examination on the export of rare strategic minerals, and announced the possibility of cancelling a meeting with Chinese leader Xi Jinping at the Asia-Pacific Cooperation summit to be held in South Korea at the end of the month.

EUR/GBP



The EUR/GBP exchange rate depreciated for the first three days of the week. The exchange rate had a downward trend for most of the day on Monday, as the euro weakened under the pressure of political events in France. The exchange rate continued to weaken on

Wednesday due to the strengthening of the British pound. Prime Minister Keir Starmer, during his first visit to India, emphasized the speedy implementation of the U.K.-India Free Trade Agreement to boost trade and investments. Towards the end of the day, the exchange rate recovered as interim French Prime Minister Sebastien Lecornu expressed optimism about a budget deal by the year-end. The EUR/GBP exchange rate appreciated the following day. Recent comments by the Bank of England's chief economist, who called for a cautious approach in determining interest rates, as well as Catherine Mann's statement, which emphasized the need for monetary policy to remain restrictive for a long time due to high inflation, cause investors to be cautious, and add to the uncertainty regarding the future direction of the Bank of England's monetary policy. The exchange rate fell again at the end of the week. Markets focused on escalating trade tensions between the U.S. and China.

EUR/JPY



The EUR/JPY exchange rate recorded growth during the first three days of the week. The exchange rate rose as the yen weakened, given that Sanae Takaichi's victory increases uncertainty about fiscal and monetary policy in Japan. Market attention was also focused on possible new members of her administration, as well as signs of the reopening of the U.S. government. The yen has started to weaken since the victory of Sanae Takaichi as Japan's leader last Saturday, fuelling concerns that it could put pressure on the Bank of Japan to delay further interest rate increase. The EUR/JPY exchange rate fell on Thursday as the euro came under pressure due to political developments in France. The exchange rate's decline continued the next day, as demand for safe assets increased following Trump's announcement that he may raise tariffs on China, which would lead to an escalation of trade conflicts. Markets were also assessing the path ahead for new Liberal Democratic Party leader Takaichi as Japan's Komeito political party left the ruling coalition on Friday, striking a blow to her hopes of becoming the first female prime minister of the world's fourth-largest economy.

Table 1 - Exchange rates of the most important currencies

| | 6-Oct-2025 ¹ | 10-Oct-2025 ² | % Change |
|---------|-------------------------|--------------------------|----------|
| EUR/USD | 1.1742 | 1.1619 | -1.05 |
| EUR/GBP | 0.87104 | 0.86985 | -0.14 |
| EUR/JPY | 173.19 | 175.79 | 1.50 |
| EUR/AUD | 1.77815 | 1.79448 | 0.92 |
| EUR/CHF | 0.93388 | 0.92893 | -0.53 |
| USD/JPY | 147.47 | 151.19 | 2.52 |
| GBP/USD | 1.3480 | 1.3360 | -0.89 |

Table 2 - Overview of the leading central banks' reference interest rates

| Central Bank | Reference interest rate | Reference interest rate level | Next meeting |
|---------------------------------|---------------------------|-------------------------------|--------------|
| European Central Bank (ECB) | ECB main refinancing rate | 2.15% | 30-Oct-2025 |
| Federal Reserves (Fed) | Federal Funds Target Rate | 4.25% | 29-Oct-2025 |
| Bank of Japan (BoJ) | Overnight Call Rate | 0.50% | 30-Oct-2025 |
| Bank of England (BoE) | Official Bank Rate | 4.00% | 6-Nov-2025 |
| Swiss National Bank (SNB) | Libor Target Rate | 0.00% | 11-Dec-2025 |
| Bank of Canada (BoC) | Target Overnight Rate | 2.50% | 29-Oct-2025 |
| Reserve Bank of Australia (RBA) | Cash Rate Target | 3.60% | 4-Nov-2025 |

Table 3 – ESTR and Euribor

| | 6-Oct-2025 ¹ | 10-Oct-2025 ² | Change in basis points |
|-------------|-------------------------|--------------------------|------------------------|
| ESTR | 1.9210 | 1.9260 | 0.50 |
| Euribor 1W | 1.895 | 1.919 | 2.40 |
| Euribor 1M | 1.939 | 1.920 | -1.90 |
| Euribor 3M | 2.020 | 2.009 | -1.10 |
| Euribor 6M | 2.095 | 2.099 | 0.40 |
| Euribor 12M | 2.224 | 2.202 | 0.50 |

¹ Opening market value on Monday

² Closing market value on Friday

Table 4 - Economic indicators (6 - 10 October 2025)

| Country | Indicator | Period | Expected value | Current value | Previous value |
|----------------------|---|---------------------------|----------------|---------------|----------------|
| Euro area | Euro area retail sales This indicator measures activity related to retail trade volume (not applicable to motor vehicles and motorcycles). | August MoM% YoY% | 0.1% 1.3% | 0.1% 1.0% | -0.4% 2.1% |
| Germany | Factory Orders Factory orders provide a fairly comprehensive view of the manufacturing sector. | August MoM% | 1.2% | -0.8% | -2.7% |
| Great Britain | S&P Global UK Construction PMI An economic indicator that measures activity in the construction sector. | September | 46.0 | 46.2 | 45.5 |
| USA | Michigan Consumer Sentiment Index Monthly survey of U.S. consumer confidence levels conducted by the University of Michigan. The survey is based on telephone interviews collecting information about consumer expectations from the economy. | October P | 54.0 | 55.0 | 55.1 |
| Japan | Producer Price Index (PPI) It measures changes in the selling prices of goods and services used by producers in Japan. Producers transfer higher costs to consumers through retail prices, thus PPI is important as an early inflation indicator. | September MoM% YoY% | 0.1% 2.5% | 0.3% 2.7% | -0.2% 2.7% |

P preliminary data, F-final data, T-third and final estimate, k=thousand, b=billion

EUROPEAN GOVERNMENT BONDS MARKET



The yield on 10-year German government bonds fell from 2.72% to 2.64% in this reporting week. The yield was stable on the first day of the week, but recorded a decline during the next two days. The drop in yields came as French President Macron forced the outgoing Prime Minister, Sébastien Lecornu to reach an agreement with opposition parties by Wednesday evening to prevent a deeper crisis. This led to optimism that the outgoing Prime Minister of France could reach an agreement to form a new government. However, there was a slight recovery in yields on Thursday. The yields fell sharply on Friday as the U.S. President threatened a "major increase" in tariffs on Chinese goods.

U.S. GOVERNMENT BONDS MARKET



The yield on 10-year U.S. government bonds dropped from 4.14% to 4.03% during this reporting week. The yield was stable during the first day of this week, and the next day it fell as the auction of 3-year bonds was held, featuring a large demand. The Minutes from the Fed latest meeting were released in mid-week, which showed that there is a risk that inflation will go higher, but also that the majority of members of that central bank believe that it would be justified to reduce the interest rate further this year. The yield recorded a slight increase on Thursday, while it fell sharply on Friday as the U.S. President, Donald Trump, threatened a "huge increase" in tariffs on imports from China.

GOLD



The price of gold rose this reporting week from \$3,888.41 to \$4,017.79 per ounce. This price rose due to global uncertainty stemming from: the U.S. government shutdown, political instability in France, as well as political events in Japan. Only on Thursday did the price of gold fall and the record high price of this precious metal led to sales by investors in order to make a profit. In the last day of the week, the price of gold rose again due to increase in global trade tensions.

OIL



The price of oil decreased during this week from \$66.07 to \$62.74 per barrel. It was stable during the first three days of this week, with no major changes. Oil price started to trend lower on Thursday as the agreement on a cease-fire in Gaza, which includes an end to the conflict and the exchange of hostages, raised hopes for an easing of tensions in the Middle East. In addition, concerns over a global oversupply further reinforced the pessimistic trend in the market.

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