

International Financial Market Report

(3 - 7 November 2025)

Weekly overview of short news

- The price of gold rose slightly this reporting week - from \$3,985.90 the price rose to \$4,001.26 an ounce as investors reviewed the prospects for Fed interest rates as data showed weakness in the labour market.
- The price of oil fell from \$65.30 to \$63.66 per barrel in this reporting week.
- The Bank of England kept interest rates at 4% in a close vote, with five members voting to keep rates at the same level and four voting for a 25bp cut. The BoE said inflation of 3.8% in September was "likely to peak" and changed its guidelines to say that interest rates are "likely to continue their gradual decline". The word "cautious" is omitted. The Governor, Andrew Bailey, said that "the risks of rising inflation have become less serious since August" and that his position reflects an interest rate path that implies three more rate cuts over the next year.
- Australia's central bank, as expected, kept interest rates unchanged at its regular meeting, saying it was cautious about further easing given higher core inflation, stronger consumer demand and a recovering housing market.

EUR/USD



The EUR/USD exchange rate appreciated during this reporting week. For the first three days, the exchange rate had a downward trend, as the weakening of expectations regarding the Federal Reserve's interest rate cut and the increase in demand for safe investments supported the dollar. The dollar was also supported by positive data on employment in the private sector and the service index in the USA. However, the exchange rate had an upward trend on Thursday and Friday. The report, which pointed to weakness in the U.S. labour market, fuelled expectations of another Fed rate cut this year. Specifically, according to data of the Challenger, an American consulting firm specialized in the labour market, employers in the USA reduced over 150,000 jobs in October, which is the largest monthly reduction in more than 20 years, due to transformations led by artificial intelligence and aggressive cost reduction strategies. Negative data from the University of Michigan on consumer expectations were released on Friday, which further weakened the dollar.

EUR/GBP



The EUR/GBP exchange rate recorded growth this week. The exchange rate weakened in early week as

sterling strengthened following the release of a better-than-expected U.K. manufacturing PMI. Once the British Chancellor of the Exchequer, Rachel Reeves, hinted at wide-ranging tax increases in the budget to be presented at the end of the month, which contradicts the promise of the Labour Party, adding that the "national interest" will take precedence over "political calculations" in the upcoming budget, sterling began to weaken, leading to a sharp rise in the exchange rate on Tuesday. However, the exchange rate trended downwards on Wednesday and Thursday as sterling strengthened ahead of and after the Bank of England meeting. In line with expectations, the Bank of England left the interest rates at the same level, pointing out that inflation has probably reached its peak, but more evidence is needed to reduce the interest rate, thus the exchange rate fluctuated on the last day of the week.

EUR/JPY



The EUR/JPY exchange rate slightly decreased this week. The exchange rate was in a downward trend for the first two days of the week, as the yen strengthened, boosted by warnings from Japanese officials about excessive weakening of the currency and speculation about a faster-than-expected increase in interest rates by the Bank of Japan. In addition, a sell-off in technology shares on Wall Street caused a sharp decline in Asian stock markets, which increased demand for the yen as a safe asset. The exchange rate mostly recovered as of Wednesday until the end of the week, as the euro strengthened, supported by release of better-than-expected purchasing managers' index (PMI) in the euro area and Germany.

Table 1 - Exchange rates of the most important currencies

	3-Nov-2025¹	7-Nov-2025²	% Change
EUR/USD	1.1537	1.1566	0.25
EUR/GBP	0.87722	0.87877	0.18
EUR/JPY	177.67	177.44	-0.13
EUR/AUD	1.76300	1.78102	1.02
EUR/CHF	0.92830	0.93091	0.28
USD/JPY	153.99	153.42	-0.37
GBP/USD	1.3152	1.3162	0.08

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

Central Bank	Reference interest rate	Reference interest rate level	Next meeting
European Central Bank (ECB)	ECB main refinancing rate	2.15%	18-Dec-2025
Federal Reserves (Fed)	Federal Funds Target Rate	4.00%	10-Dec-2025
Bank of Japan (BoJ)	Overnight Call Rate	0.50%	19-Dec-2025
Bank of England (BoE)	Official Bank Rate	4.00%	18-Dec-2025
Swiss National Bank (SNB)	Libor Target Rate	0.00%	11-Dec-2025
Bank of Canada (BoC)	Target Overnight Rate	2.25%	10-Dec-2025
Reserve Bank of Australia (RBA)	Cash Rate Target	3.60%	9-Dec-2025

Table 3 – ESTR and Euribor

	3-Nov-2025	7-Oct-2025.²	Change in basis points
ESTR	1.9210	1.9320	1.1
Euribor 1W	1.921	1.902	-1.9
Euribor 1M	1.917	1.891	-2.6
Euribor 3M	2.040	2.009	-3.1
Euribor 6M	2.138	2.124	-1.4
Euribor 12M	2.196	2.212	1.6

¹ Opening market value on Monday

² Closing market value on Friday

Table 4 - Economic indicators (3 - 7 November 2025)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	HCOB Eurozone Manufacturing, Services, Composite PMI PMI surveys tracks opinion among procurement managers in manufacturing, construction and/or services sectors. The index was obtained from the results of questionnaires related to production, orders, stocks, employment, prices, etc.	October F	50.0 52.6 52.2	50.0 53.0 52.5	50.0 52.6 52.2
	Retail Sales This indicator measures the volume of sales of goods for personal and household spending.	September MoM% YoY%	0.2% 0.9%	-0.1% 1.0%	-0.1% 1.6%
Germany	Factory Orders This index points to a change in the number of orders from domestic manufacturers. The data shows the demand for German industrial products.	September MoM% YoY%	0.9% -4.1%	1.1% -4.3%	-0.4% 2.1%
	Industrial Production It measures the output in mining and quarrying, manufacturing and utilities (electricity, gas and water supply).	September SA MoM% YoY%	3.0% 0.1%	1.3% -1.0%	-3.7% -3.6%
	Trade Balance The difference between exports and imports of goods and services.	September SA	16.7b	15.3b	16.9b
USA	ISM Manufacturing This indicator assesses the state of the industry by surveying procurement managers on production, new orders, employment, raw material deliveries and supplies.	October	49.5	48.7	49.1
	ISM Services Index The index estimates activities in the manufacturing sector and is calculated based on surveys of purchasing managers in various manufacturing companies.	October	50.8	52.4	50.0
	ADP Employment Change This indicator measures the monthly change in the number of employees on the private sector payroll.	October	30k	42K	-29K
	University of Michigan One-Year Inflation Expectations (U. of Mich. 1 Yr Inflation) This indicator measures consumer expectations regarding the percentage change in the prices of products and services in the next 12 months.	November P	4.6%	4.7%	4.6%
Great Britain	S&P Global UK Manufacturing, Services, Composite PMI PMI surveys tracks opinion among procurement managers in manufacturing, construction and/or services sectors. The index was obtained from the results of questionnaires related to production, orders, stocks, employment, prices, etc.	October F	49.6 51.1 51.1	49.7 52.3 52.2	49.6 51.1 51.1
Japan	Household Spending This indicator monitors all consumers' expenditures on products and services, and is adjusted with inflation.	September YoY%	2.5%	1.8%	2.3%

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

EUROPEAN GOVERNMENT BONDS MARKET



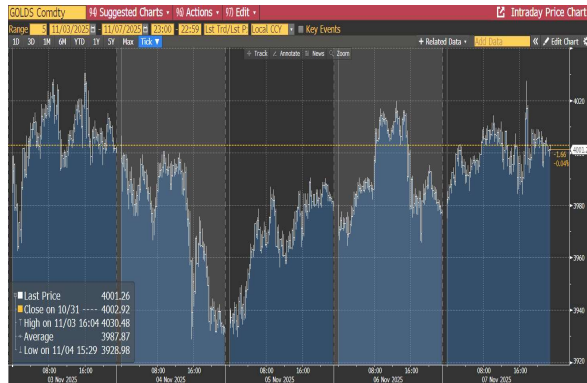
The yield on 10-year German government bonds rose slightly from 2.46% to 2.66% in this reporting week. The yield on these bonds fluctuated during the first two days of this week, averaging at 2.64%. The yield recorded a slight increase on Wednesday due to a combination of signs of economic resilience and signals from the U.S. Government that larger auctions are on the horizon, and bond issuance in the euro area was also expected, which will increase supply. The yield fell the next day due to concerns about Germany's economic prospects. September data on German industrial production fell short of expectations, while the Bundesbank issued a warning regarding growing risks to financial stability. German bond yields fluctuated around a 1-month high, with traders expecting the ECB to likely end its easing cycle.

U.S. GOVERNMENT BONDS MARKET



The yield on 10-year U.S. government bonds was almost the same at the beginning and end of the week, amounting to 4.09%. The yield fluctuated for the first two days of the week and averaged at 4.09%. It rose on Wednesday as ADP employment data for October was released (ADP employment data showed 42,000 new jobs were created in October - better than expected). These data lowered expectations that the Fed will cut interest rates in December. However, the next day, private data on the U.S. economy pointed to difficulties in the labour market, prompting traders to increase speculation that the Federal Reserve will cut interest rates next month. Namely, data from Challenger, Gray & Christmas Inc. showed that the U.S. companies announced the most layoffs in October - no October in the past 20 years had so many layoffs announced. Growth deepened after data from Revelio Labs showed a loss of 9,100 jobs outside the agriculture sector in October, following 33,000 job openings in the previous month. The yield on the daily level did not record a major change on Friday.

GOLD



The price of gold rose from \$3,985.90 to \$4,001.26 per ounce in this reporting week. It did not register a major change at the very beginning of the week, while it recorded a sharp drop on Tuesday. This decline came as the dollar rose against a basket of currencies. The price of gold recorded a slightly higher growth the following day, and it maintained its growth trend until the end of this week. The rise came as investors reviewed the outlook for Fed interest rates and as data on the U.S. labour market developments was released.

OIL



The price of oil decreased from \$65.30 to \$63.66 per barrel in this reporting week. The price of oil was stable on the first day of the week, but it had a downward trend in the next two days. The price drop in this period occurred as it was announced that oil stocks in the U.S. had risen to the highest level in more than three months. The price of oil fell on Thursday as an increase in global supply heightened concerns that there could be excess supplies of the energy generating products. The OPEC increased oil production by 50,000 barrels per day in October. The downward trend in oil prices was halted on Friday.

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