Morning Comment

AIB Treasury Economic Research Unit

Friday 28 August 2026
07:53 am

Focus on Fed Chair Warsh's speech

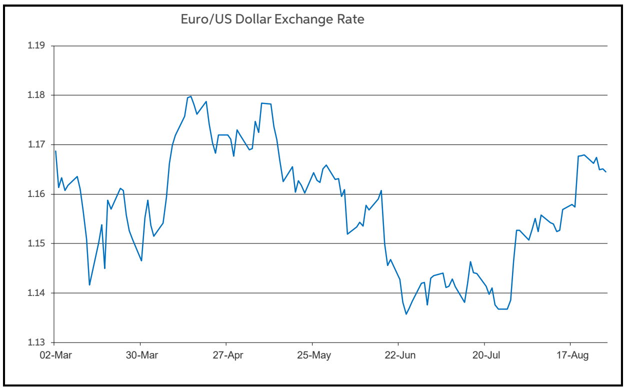
Investor sentiment was mixed yesterday, as three of the main themes that have influenced markets this year remained to the fore (geopolitical tensions, AI investment & monetary policy tightening). On equity markets, this was reflected by the Euro Stoxx 50 falling by 0.7%, as oil and natural gas prices continued to drift higher, amid uncertainty regarding the war in the Middle East. On Wall Street though, the S&P 500 rose by 0.7%, led by a rally in tech stocks, following very strong quarterly results from Nvidia.

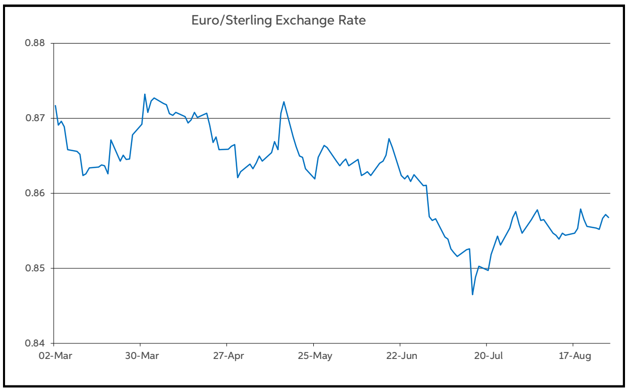
In terms of monetary policy, a number of Fed officials made hawkish remarks yesterday. FOMC member Schmid stated that he would have sided with the three dissenters who voted for a rate hike in July (he is a non-voter this year). Similarly, Goolsbee and Hammack indicated that they are becoming increasingly concerned that inflation is becoming embedded in the US economy. Meantime, the main takeaway from the ECB monetary policy meeting account for July was that some officials "would not have opposed" raising rates, suggesting further policy tightening is likely.

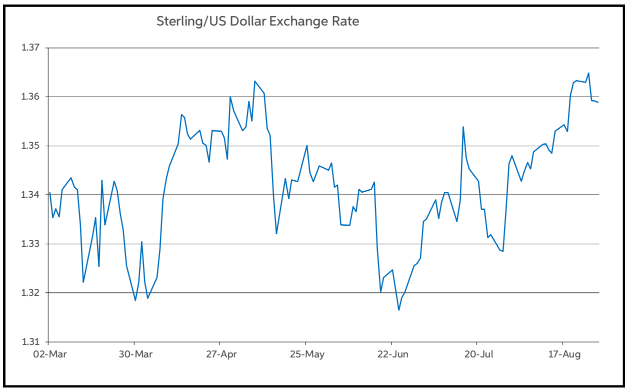
Despite this though, currency markets remained extremely range bound yesterday. Of the limited action to register over this period, the dollar was holding a slightly firmer tone following the remarks from Fed officials. However, the greenback was unable to maintain its gains. As a result, EUR/USD opens today at the midpoint of $1.16 -1.17 once again. GBP/USD is in the top half of $1.35-1.36, while EUR/GBP remains in the upper part of the 85-86p band.

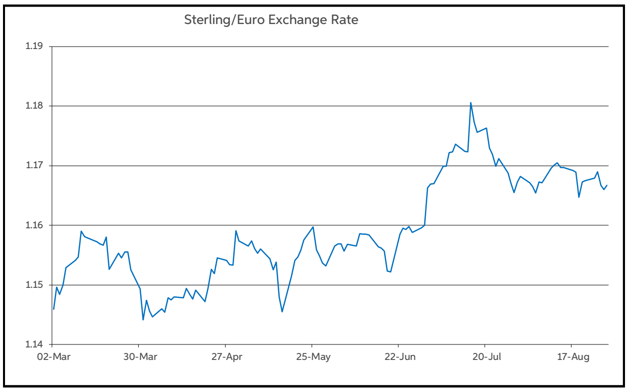
Turning to the day ahead, the main focus will be on Fed Chair Warsh's Jackson Hole speech, which poses some event risk for the dollar. On the data front, the EC sentiment indicators and a raft of flash inflation readings for some of the large Eurozone economies (all August) are due.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1645	-0.09	-0.85
EUR/GBP	0.8568	-0.10	-1.69
GBP/USD	1.3589	0.02	0.86
GBP/EUR	1.1665	0.11	1.72
USD/JPY	159.42	0.04	1.77
EUR/JPY	185.7	-0.02	0.93

* 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	3.63	3.68	3.75	4.02	4.36	4.39
EUR	2.25	2.25	2.55	2.96	3.08	3.15
GBP	3.75	3.74	3.80	4.14	4.49	4.60

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

CONTACTS

AIB Customer Treasury Services
business.treasury@aib.ie
aib.corporatetreasury@aib.ie
aib.ie/fxcentre

Customer Treasury Services GB
treasury.gb@aib.ie
aibgb.co.uk/fxcentre

Customer Treasury Services NI
TreasuryNI@aib.ie
aibni.co.uk/fxcentre

Opening Levels

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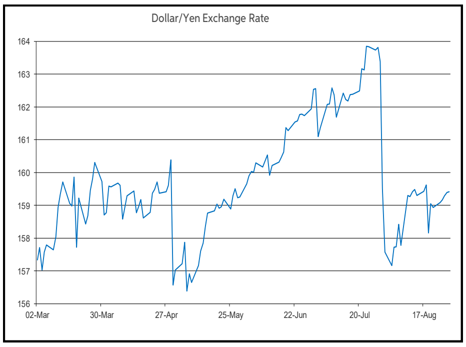
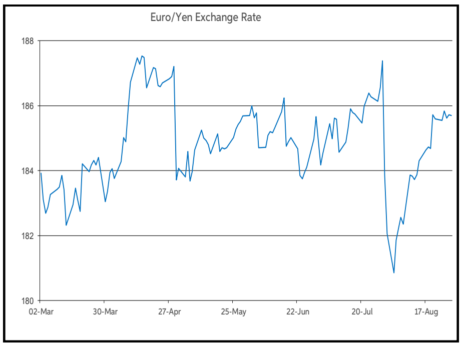
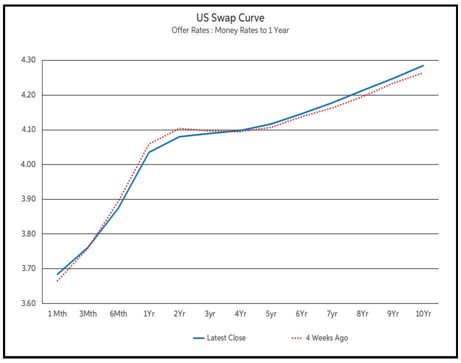
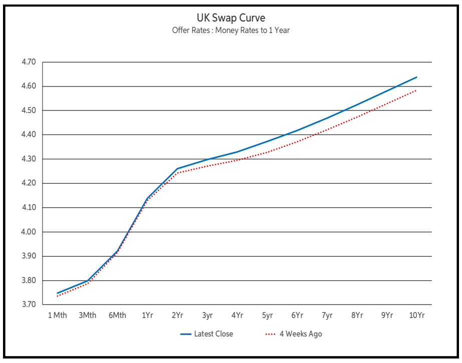
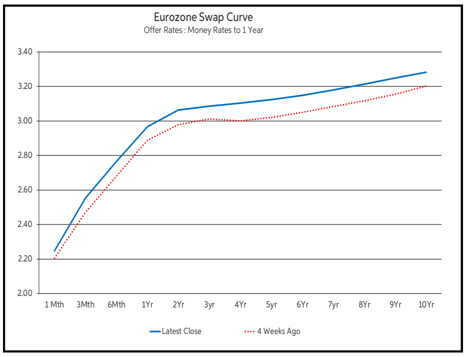
Euro		Sterling		Dollar	
EUR/GBP	0.8568	GBP/EUR	1.1665	USD/JPY	159.42
EUR/USD	1.1645	GBP/USD	1.3589	USD/CAD	1.3848
EUR/JPY	185.7	GBP/CAD	1.8818	USD/CHF	0.8047
EUR/SEK	11.0774	GBP/NZD	2.2795	USD/CNY	6.721
EUR/DKK	7.4748	GBP/JPY	216.64	USD/BRL	5.1633
EUR/NOK	10.849	GBP/SEK	12.9249	USD/RUB	86
EUR/CHF	0.9372	GBP/DKK	8.7222	USD/INR	95.55
EUR/AUD	1.6173	GBP/NOK	12.659		
EUR/HKD	9.1308	GBP/CHF	1.0936	AUD/USD	0.7199
EUR/CAD	1.6129	GBP/AUD	1.8873	NZD/USD	0.5959

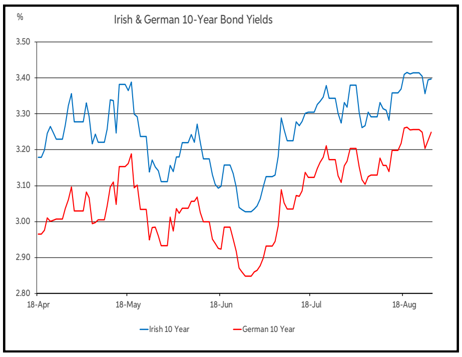












Debt Markets

		Change bps		
	Close	Day	4 Weeks	End 25
10 Year Yield %				
US	4.67	+1	+1	+52
Germany	3.25	+2	+8	+39
UK	5.03	-1	+5	+56
Ireland	3.40	+0	+8	+37
Belgium	3.80	+2	+11	+45
France	4.10	+2	+15	+54
Italy	4.07	+2	+9	+56
Spain	3.70	+2	+9	+41
Portugal	3.61	+2	+9	+45
Greece	3.93	+5	+7	+45
5 Year Swap %				
US	4.39	+3	+2	+66
Eurozone	3.12	+2	+10	+56
UK	4.60	-0	+6	+70
2 Year Swap %				
US	4.34	+3	-1	+76
Eurozone	3.06	+2	+9	+80
UK	4.49	-1	+4	+76
10 Year Government Bond Spreads to Benchmark bps				
Ireland	15	-2	-0	-2
Belgium	55	+0	+3	+7
France	85	-0	+7	+15
Italy	82	-0	+1	+17
Spain	45	-0	+1	+2
Portugal	36	+0	+1	+7
Greece	68	+2	-1	+6

Commodities

		% Change		
	Close	Day	4 Weeks	End 25
Brent Oil	89.7	+2.12	+0.75	+47.41
West Texas Oil	84.81	+1.62	-0.40	+48.11
Gold $	4601.0	+0.20	+12.15	+6.65

AIB, 10 Molesworth Street, Dublin 2 Tel: 353-1-6600311