Morning Comment

AIB Treasury Economic Research Unit

Friday 31 July 2026
07:16 am

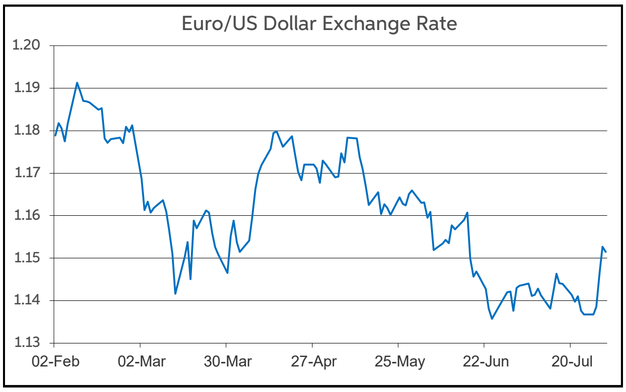
EUR/USD back above $1.15

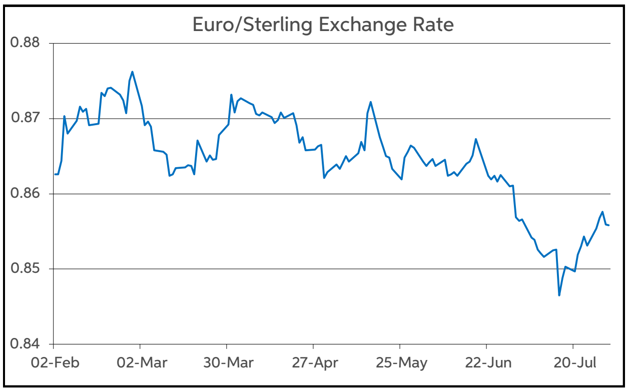
There was an action packed agenda of data and events for markets to digest yesterday. Investors started the day assessing the overnight conclusion of the Fed meeting as well as the resumption of military strikes in the Middle East. Yesterday's schedule included more central bank meetings and a raft of macro data, as well as 'likely' Japanese FX intervention. Overall, investor sentiment was in a positive mood. At the closing bell on Wall Street last night, the S&P 500 was 1.7% higher on the day, aided by a rally in tech stocks.

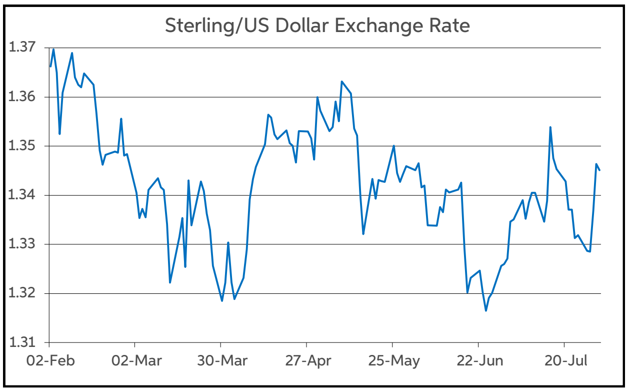
In terms of the very busy macro diary, the BoE meeting saw the central bank remain on hold, as expected. It had a less hawkish tone though, which saw some softening in UK rate expectations. However, this did not appear to act as much of a headwind to sterling. Data-wise, the Q2 GDP numbers were mixed. The Eurozone came in ahead of expectations, with growth rising by 0.4% q/q (f'cast for 0.2%). In the US, GDP missed to the downside of expectations, printing at an annualised rate of 1.5%(f'cast for 2.1%). However, the underlying details show that consumer spending and investment performed well in Q2. Meanwhile, US core -PCE inflation for June eased to 3.3%. Overnight, the BoJ as expected left interest rates unchanged.

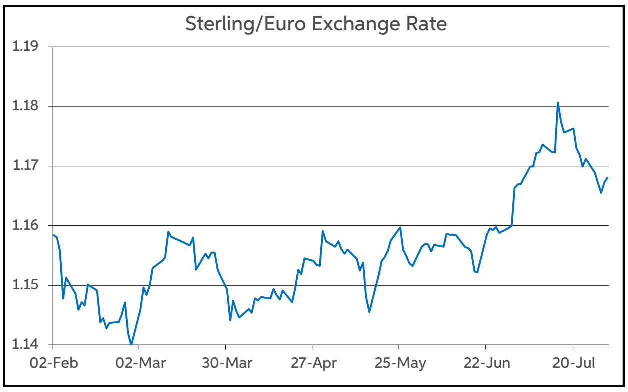
Currency-wise, the main mover over the past 24 hours has been the Japanese yen. It appears there was 'official' intervention to support the currency with USD/JPY falling suddenly yesterday from ¥162.8 to ¥158.2. It is currently trading within the ¥160-161 band. Elsewhere, the dollar has retained its post-Fed weaker tone, reflected in EUR/USD regaining $1.15 and GBP/USD above $1.34.

Looking ahead to today, the main data highlights are the flash reading of Eurozone HICP inflation for July and the US Employment Cost Index (Fed's preferred wage gauge) for Q2.
John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1515	0.57	-1.96
EUR/GBP	0.8558	-0.24	-1.80
GBP/USD	1.3451	0.81	-0.16
GBP/EUR	1.1678	0.25	1.83
USD/JPY	160.39	-1.89	2.39
EUR/JPY	184.73	-1.31	0.40

* 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	3.64	3.75	4.04	4.36	4.36
EUR	2.25	2.19	2.46	2.88	2.97	3.02
GBP	3.75	3.73	3.77	4.10	4.44	4.54

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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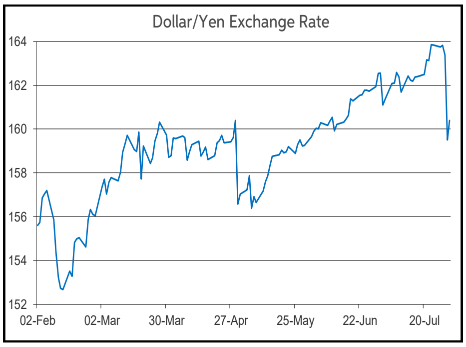
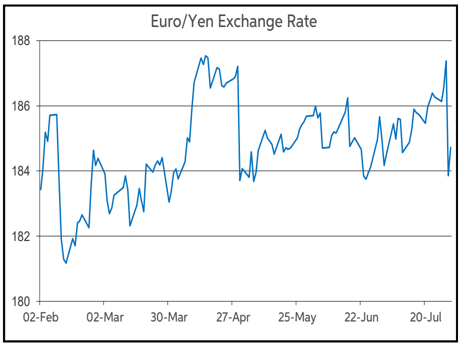
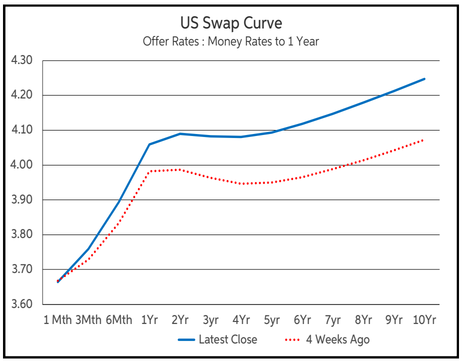
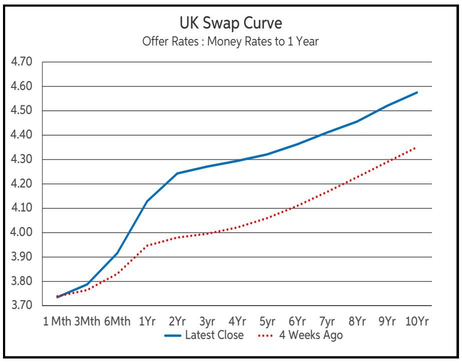
AIB

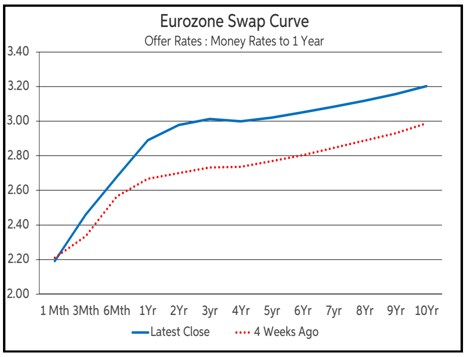
Euro		Sterling		Dollar	
EUR/GBP	0.8558	GBP/EUR	1.1678	USD/JPY	160.39
EUR/USD	1.1515	GBP/USD	1.3451	USD/CAD	1.4013
EUR/JPY	184.73	GBP/CAD	1.8848	USD/CHF	0.8063
EUR/SEK	10.9899	GBP/NZD	2.2893	USD/CNY	6.7467
EUR/DKK	7.4751	GBP/JPY	215.74	USD/BRL	5.0613
EUR/NOK	10.9937	GBP/SEK	12.8372	USD/RUB	79.6
EUR/CHF	0.9286	GBP/DKK	8.7316	USD/INR	95.37
EUR/AUD	1.637	GBP/NOK	12.8417		
EUR/HKD	9.0315	GBP/CHF	1.0846	AUD/USD	0.7032
EUR/CAD	1.6137	GBP/AUD	1.9121	NZD/USD	0.5872

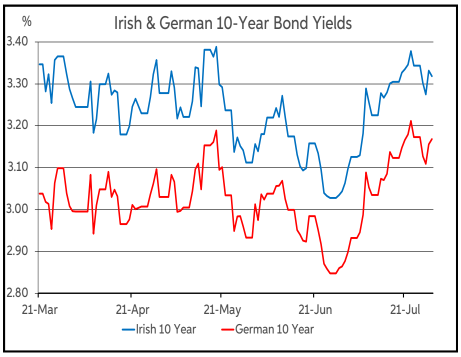












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.66	+4	+18	+51
Germany	3.17	+1	+27	+31
UK	4.99	-5	+21	+51
Ireland	3.32	-1	+22	+29
Belgium	3.69	-1	+22	+35
France	3.95	-1	+24	+39
Italy	3.98	-2	+29	+47
Spain	3.61	-1	+21	+32
Portugal	3.52	-2	+21	+36
Greece	3.86	+0	+26	+38
5 Year Swap %				
US	4.36	-3	+16	+64
Eurozone	3.02	-4	+26	+46
UK	4.54	-8	+23	+64
2 Year Swap %				
US	4.34	-3	+10	+77
Eurozone	2.97	-3	+28	+72
UK	4.46	-12	+24	+73
10 Year Government Bond Spreads to Benchmark bps				
Ireland	15	-3	-5	-2
Belgium	52	-2	-5	+4
France	78	-2	-3	+8
Italy	81	-3	+2	+17
Spain	44	-2	-6	+1
Portugal	35	-3	-6	+5
Greece	69	-1	-1	+7

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	89.03	-1.88	+24.00	+46.31
West Texas Oil	85.15	-1.08	+22.11	+48.71
Gold $	4102.4	+0.92	-0.49	-4.91

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