Morning Comment

AIB Treasury Economic Research Unit

Thursday 03 September 2026
07:55 am

Yen strengthens markedly overnight

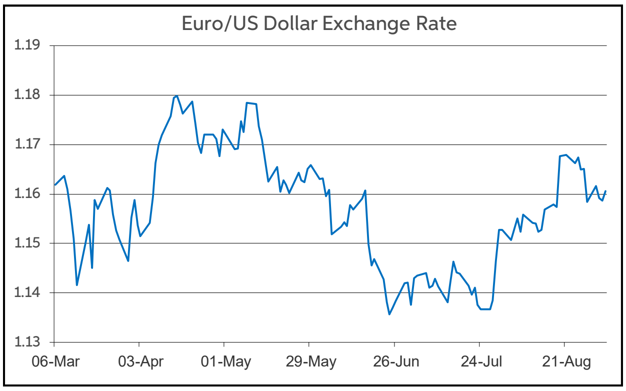
Investor sentiment continued to hold a cautious tone yesterday. Oil prices are little changed over the past 24 hours, with Brent crude remaining near the $95 per barrel threshold. Against this backdrop, the Euro Stoxx 50 inched 0.1% lower. On Wall Street, the S&P 500 snapped a run of recent losses, moving 0.5% higher yesterday. Elsewhere on markets, medium to long-dated sovereign bond yields stayed in and around multi-year highs in the US, Europe and Japan.

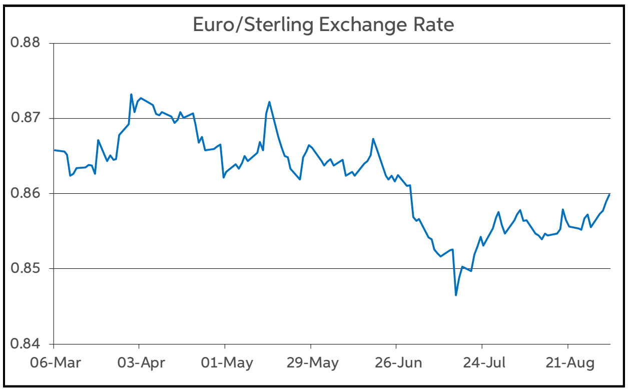
On the monetary policy front, New York Fed President Williams was somewhat dovish in remarks yesterday. Williams noted that he sees “the trend in inflation moving slowly down”, and that he is not seeing “second round inflation effects from tariffs”. However, his remarks had little to no impact on market rate expectations. Futures contracts indicate that the market is still attaching around a 60% probability to a rate hike from the Fed later this month.

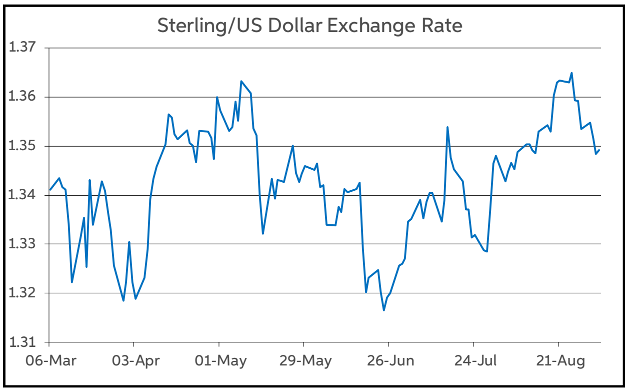
Currency-wise, not for the first time this week, the main pairs were very tightly range bound. Of the limited price action to note, the euro eked out some slight gains. However, overnight the yen was in the ascendancy, amid speculation that authorities may have intervened once again to strengthen the currency. In level terms, this is reflected by USD/JPY changing hands down in the lower half of $157-158, having started yesterday close to ¥160. Elsewhere, EUR/USD opens this morning just above the $1.16 handle. EUR/GBP is up at the 86p mark.

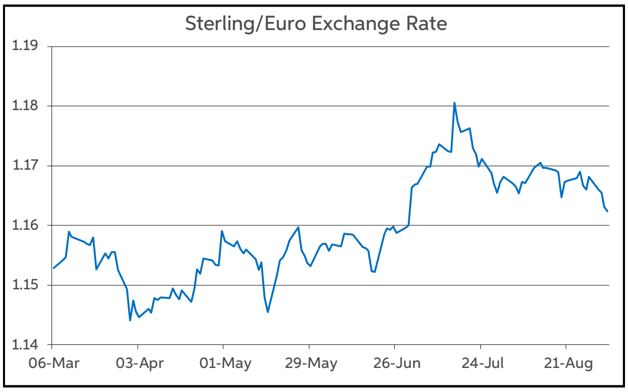
Turning to the day ahead, the macro calendar is relatively quiet. The main release will be the US non-manufacturing ISM for August. Meantime, Eurozone producer price inflation data for July will garner some interest. In terms of monetary policy, remarks from a slew of Fed officials will also be in focus.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1606	0.27	-1.18
EUR/GBP	0.86	0.29	-1.32
GBP/USD	1.3492	-0.02	0.14
GBP/EUR	1.1624	-0.29	1.34
USD/JPY	157.14	-1.84	0.31
EUR/JPY	182.39	-1.59	-0.87

* 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	3.75	3.83	4.15	4.51	4.53
EUR	2.25	2.23	2.61	3.04	3.19	3.27
GBP	3.75	3.75	3.81	4.23	Stale	Stale

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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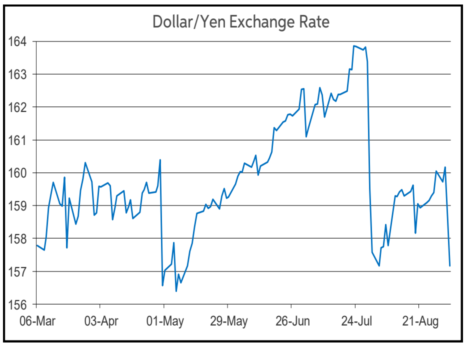
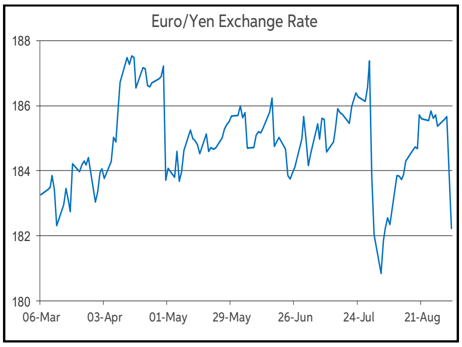
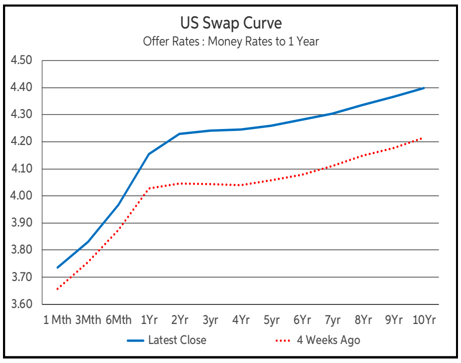
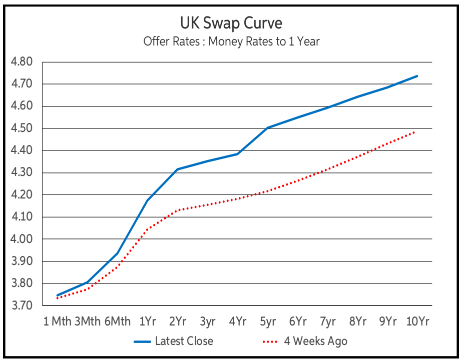
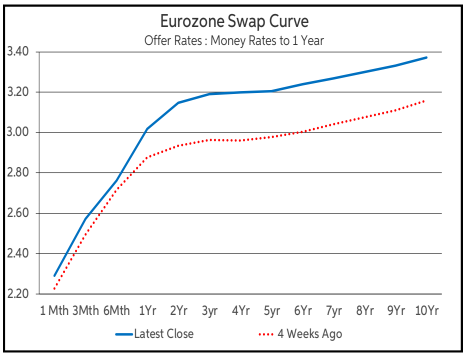
Euro		Sterling		Dollar	
EUR/GBP	0.86	GBP/EUR	1.1624	USD/JPY	157.14
EUR/USD	1.1606	GBP/USD	1.3492	USD/CAD	1.3825
EUR/JPY	182.39	GBP/CAD	1.8649	USD/CHF	0.8093
EUR/SEK	11.1371	GBP/NZD	2.3022	USD/CNY	6.7178
EUR/DKK	7.4752	GBP/JPY	212.01	USD/BRL	5.0938
EUR/NOK	10.8055	GBP/SEK	12.9456	USD/RUB	87.1
EUR/CHF	0.9394	GBP/DKK	8.6883	USD/INR	94.44
EUR/AUD	1.619	GBP/NOK	12.5603		
EUR/HKD	9.1009	GBP/CHF	1.0923	AUD/USD	0.7167
EUR/CAD	1.6042	GBP/AUD	1.8821	NZD/USD	0.5858

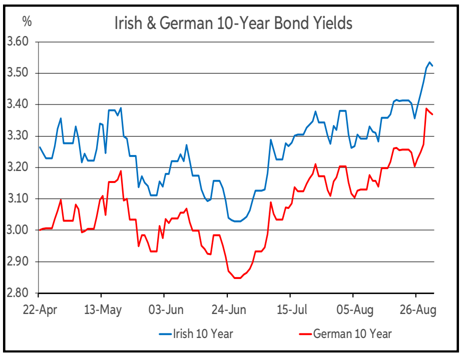












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.79	-0	+18	+64
Germany	3.38	+4	+27	+51
UK	5.23	+1	+34	+76
Ireland	3.53	+2	+27	+51
Belgium	3.94	+5	+30	+59
France	4.25	+5	+36	+69
Italy	4.22	+4	+33	+71
Spain	3.84	+4	+29	+54
Portugal	3.74	+3	+28	+58
Greece	4.07	+5	+30	+59
5 Year Swap %				
US	4.53	-2	+22	+80
Eurozone	3.27	-0	+29	+71
UK	4.76	-0	+31	+86
2 Year Swap %				
US	4.51	-2	+23	+94
Eurozone	3.19	-1	+26	+94
UK	4.65	-3	+29	+92
10 Year Government Bond Spreads to Benchmark bps				
Ireland	16	-2	-1	-1
Belgium	56	+1	+3	+8
France	88	+1	+9	+18
Italy	85	+0	+6	+20
Spain	46	+0	+1	+3
Portugal	36	-0	+0	+6
Greece	70	+1	+3	+8

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	95.63	+1.04	+20.37	+57.16
West Texas Oil	92.15	+0.73	+20.02	+60.93
Gold $	4386.3	+1.33	+3.32	+1.67

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