Morning Comment

AIB Treasury Economic Research Unit

Thursday 27 August 2026
07:01 am

Main FX pairs remain range bound

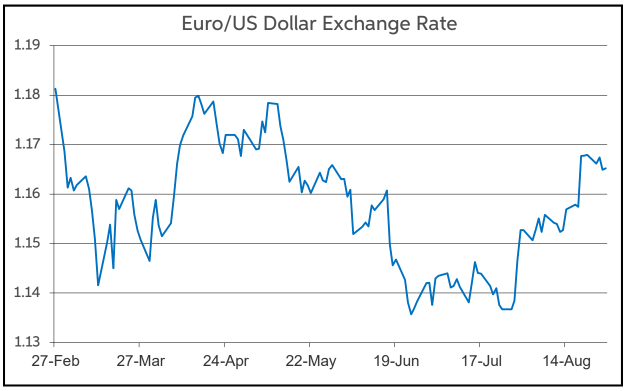
There was very much a summer trading vibe to much of the market action yesterday. By the close on Wall Street, last night the S&P 500 was flat on the day. On commodity markets, oil prices continued to move lower despite the ongoing uncertainty in relation to the Middle East conflict. Brent crude traded down into an $87-88 per barrel range. Meanwhile, after falling the previous day, bond yields tended to rise marginally yesterday. However, the 30-year Treasury yield, which had been in focus over recent weeks given it rose to near 20-year highs, remained below the 5.2% level.

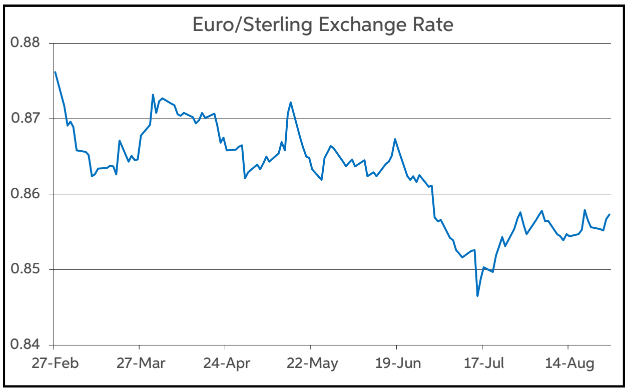
Data-wise, the spotlight yesterday was on the US economy with a raft of publications due. The main release of note in this regard was core PCE inflation (Fed's preferred measure) for July. The headline number printed in line with expectations at 3.3% y/y. The second reading of Q2 GDP confirmed the US economy expanded at an annualised rate of 1.5%. Meanwhile, durable goods orders for July rose by a better than forecast 1.1% m/m (f'cast for 0.5%), although a key reason for this outperformance was the volatile aircraft component. Overall, yesterday's batch of US data is unlikely to prompt the Fed to make any near-term changes to interest rates.

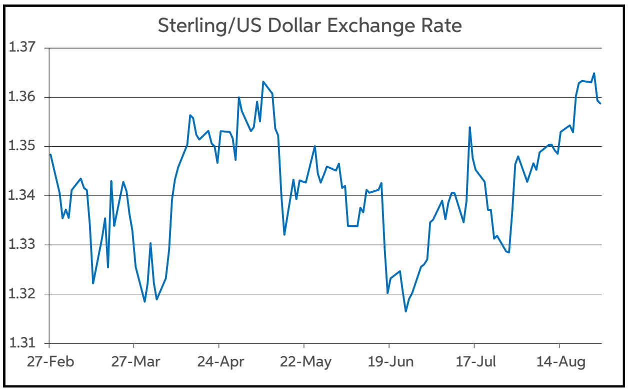
From a currency perspective, the main pairs have been range-bound over the past 24 hours. Of the limited action to register over this period, sterling is holding a slightly softer tone. GBP/USD has moved back below the $1.36 handle, while EUR/GBP has edged higher within the upper half of 85-86p. Meantime, EUR/USD continues to change hands near the midpoint of $1.16-1.17.

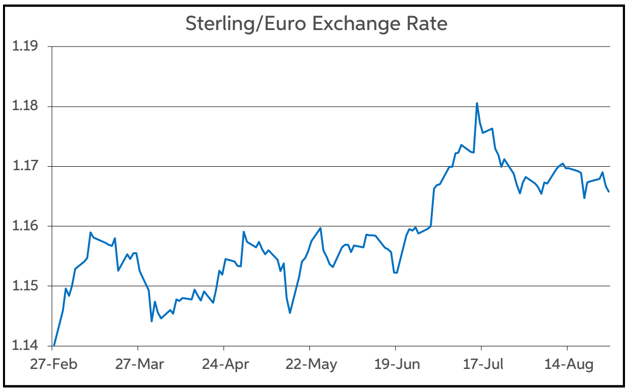
Today's macro calendar is quiet on both sides of the Atlantic. The only release of note is the ECB July meeting account. Therefore, unless there are any notable geopolitical developments, the FX majors may continue to trade near to their current levels.

John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1652	-0.08	-0.79
EUR/GBP	0.8573	0.23	-1.63
GBP/USD	1.3587	-0.32	0.85
GBP/EUR	1.166	-0.23	1.66
USD/JPY	159.34	0.19	1.72
EUR/JPY	185.7	0.13	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	3.06	3.11
GBP	3.75	3.73	3.78	4.12	4.51	4.61

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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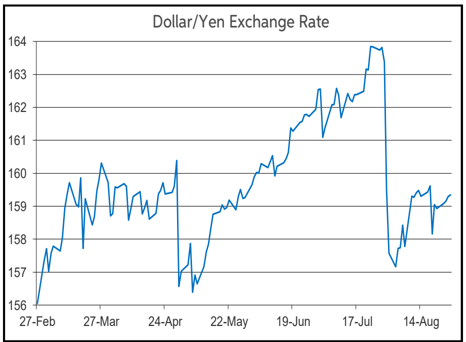
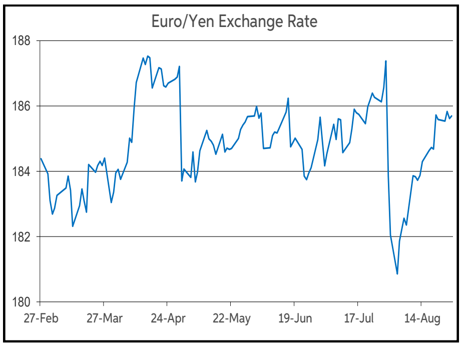
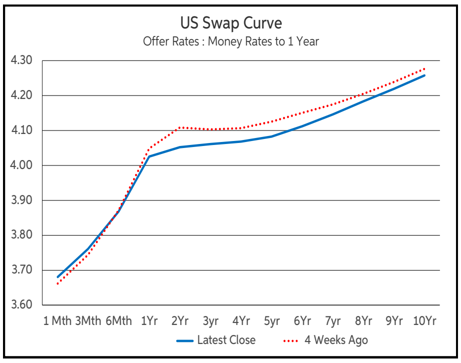
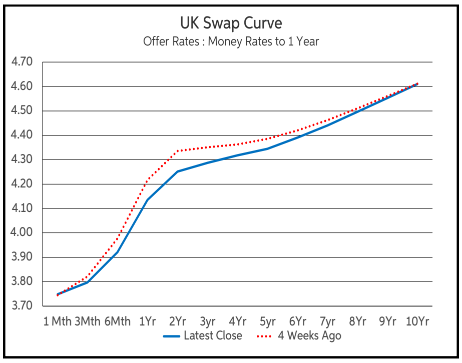
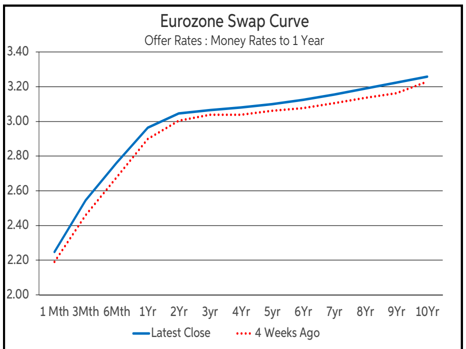
Euro		Sterling		Dollar	
EUR/GBP	0.8573	GBP/EUR	1.166	USD/JPY	159.34
EUR/USD	1.1652	GBP/USD	1.3587	USD/CAD	1.3886
EUR/JPY	185.7	GBP/CAD	1.8861	USD/CHF	0.8057
EUR/SEK	11.1031	GBP/NZD	2.2839	USD/CNY	6.7205
EUR/DKK	7.4753	GBP/JPY	216.5	USD/BRL	5.149
EUR/NOK	10.8913	GBP/SEK	12.9437	USD/RUB	85
EUR/CHF	0.9386	GBP/DKK	8.7145	USD/INR	95.48
EUR/AUD	1.6224	GBP/NOK	12.6979		
EUR/HKD	9.1349	GBP/CHF	1.0944	AUD/USD	0.718
EUR/CAD	1.6175	GBP/AUD	1.8919	NZD/USD	0.5947

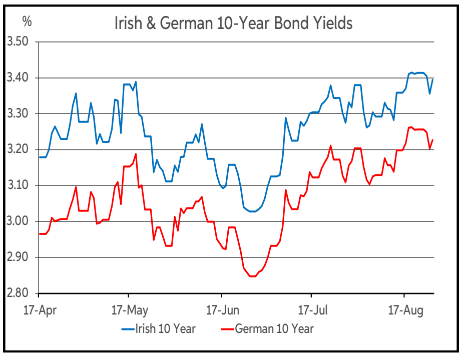












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.66	+2	+4	+51
Germany	3.23	+2	+7	+36
UK	5.04	+4	+0	+57
Ireland	3.39	+4	+6	+37
Belgium	3.78	+3	+8	+43
France	4.08	+3	+12	+52
Italy	4.05	+4	+5	+54
Spain	3.68	+3	+6	+39
Portugal	3.59	+3	+5	+43
Greece	3.88	-0	+2	+40
5 Year Swap %				
US	4.36	+3	-3	+63
Eurozone	3.10	+2	+4	+53
UK	4.60	+6	-2	+70
2 Year Swap %				
US	4.31	+2	-6	+74
Eurozone	3.04	+1	+4	+78
UK	4.50	+5	-8	+77
10 Year Government Bond Spreads to Benchmark bps				
Ireland	17	+2	-1	+0
Belgium	55	+0	+0	+7
France	85	+0	+5	+15
Italy	83	+2	-2	+18
Spain	45	+1	-1	+2
Portugal	36	+1	-2	+7
Greece	65	-2	-5	+4

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	87.84	-0.84	-3.20	+44.35
West Texas Oil	83.46	-0.52	-3.04	+45.76
Gold $	4592.0	-1.39	+12.97	+6.44

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