Morning Comment

AIB Treasury Economic Research Unit

Wednesday 19 August 2026
07:17 am

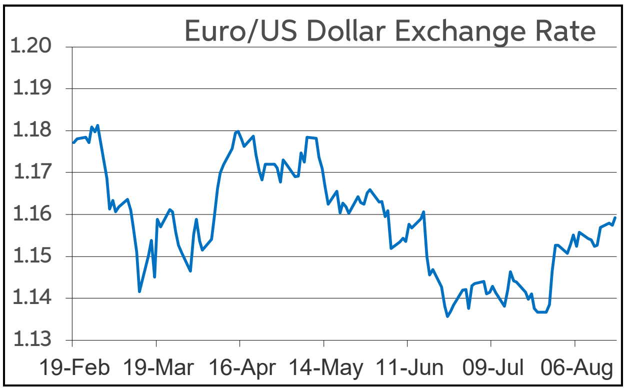
Another subdued day for FX majors

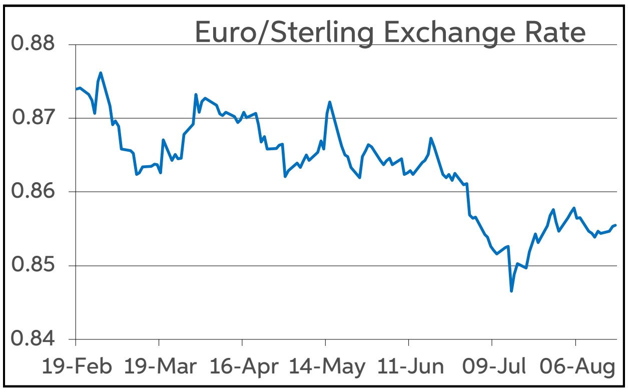
There was a risk averse tone to investor sentiment yesterday. Market participants were pondering the risks of a prolonged conflict in the Middle East. Some weakness in tech sector stocks also weighed on sentiment. The geopolitical concerns were reflected in oil prices, which remained highly sensitive to the conflict given the crucial role the region plays in global oil supply. Brent crude traded up to a high at $92 per barrel. Meanwhile, the 'risk-off' mood was evident as the main equity indices on both sides of the Atlantic posted losses. In Europe, the Euro Stoxx 50 fell by 1.0%. At the close on Wall Street last night, the global benchmark S&P 500 was 0.7% lower on the day. On bond markets, sovereign yields remained elevated against the backdrop of higher government spending and inflation.

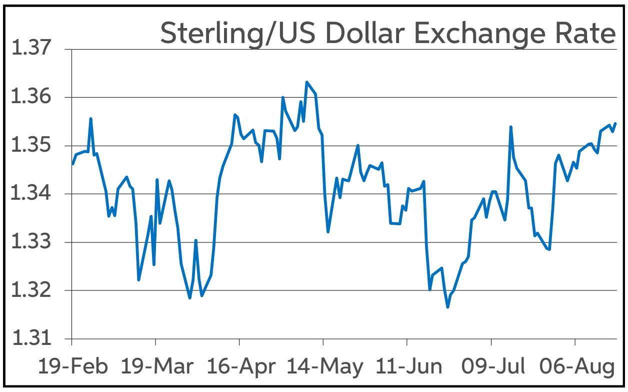
The action amongst the FX majors was characterised by narrow range trading. As a result, the main pairs start this morning's European session at levels very similar to those seen 24 hours earlier. EUR/USD has held its position in the upper half of the $1.15-1.16 range, while GBP/USD remains above the $1.35 threshold. Elsewhere, EUR/GBP continues to change hands in a very narrow range in and around the midpoint of 85-86p. Meanwhile, USD/JPY remains relatively stable, for now, within the ¥159-160 band.

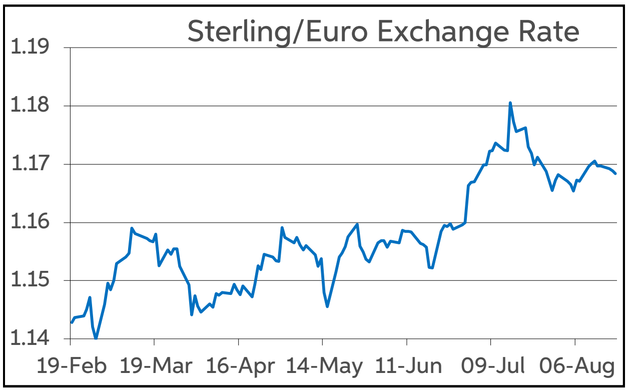
Today's macro calendar has already seen the release of UK CPI inflation numbers for July. Headline CPI printed, as expected, at 2.9% (from 2.6% in June). The remainder of today's data schedule is light. However, there are some monetary policy events that are worth noting and pose event risks for their respective currencies. ECB President Lagarde is on the speaking circuit, while the Fed meeting minutes are due later today (after the European close). Meanwhile, 'Middle East' developments remain a potential source of direction for markets/sentiment.

John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1592	0.18	-1.30
EUR/GBP	0.8555	0.08	-1.84
GBP/USD	1.3546	0.08	0.54
GBP/EUR	1.1684	-0.08	1.87
USD/JPY	159.22	-0.29	1.64
EUR/JPY	184.59	-0.10	0.33

* 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	3.72	3.96	4.29	4.35
EUR	2.25	2.21	2.50	2.94	3.05	3.11
GBP	3.75	3.74	3.78	4.13	4.49	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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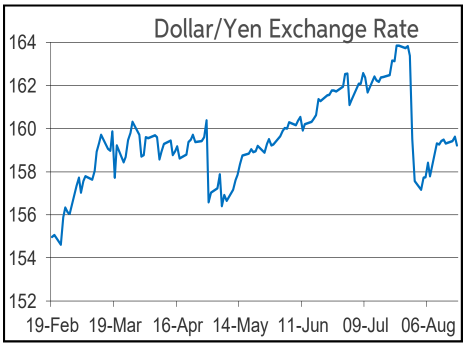
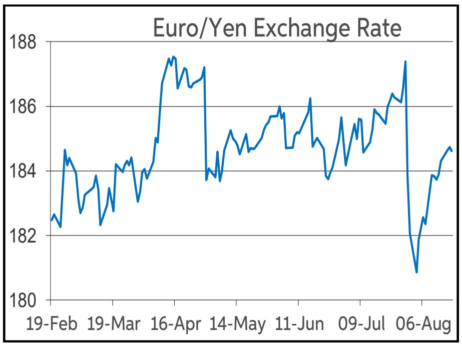
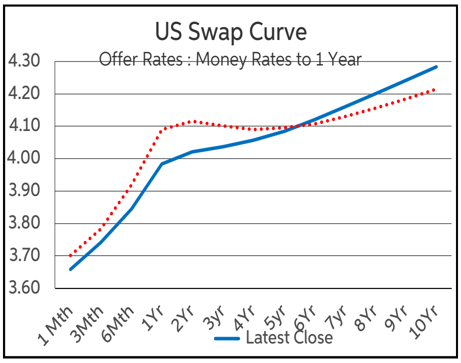
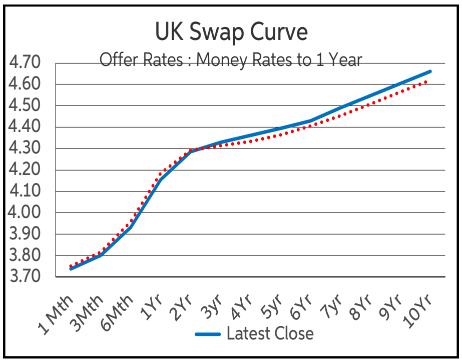
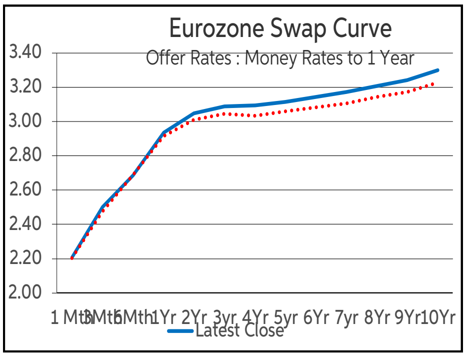
Euro		Sterling		Dollar	
EUR/GBP	0.8554	GBP/EUR	1.1684	USD/JPY	159.22
EUR/USD	1.1592	GBP/USD	1.3546	USD/CAD	1.3877
EUR/JPY	184.59	GBP/CAD	1.8797	USD/CHF	0.8105
EUR/SEK	11.0394	GBP/NZD	2.3061	USD/CNY	6.738
EUR/DKK	7.4757	GBP/JPY	215.68	USD/BRL	5.2117
EUR/NOK	10.8978	GBP/SEK	12.9006	USD/RUB	85.2
EUR/CHF	0.9397	GBP/DKK	8.7344	USD/INR	95.74
EUR/AUD	1.6393	GBP/NOK	12.7369		
EUR/HKD	9.0931	GBP/CHF	1.0981	AUD/USD	0.7071
EUR/CAD	1.6085	GBP/AUD	1.9152	NZD/USD	0.5871

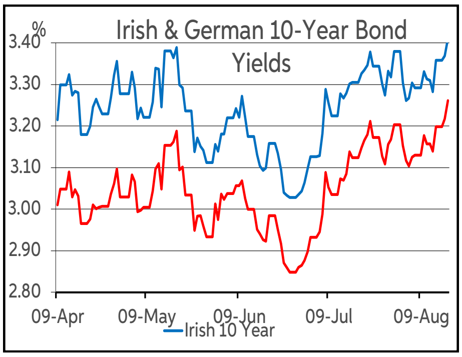












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.71	-2	+8	+55
Germany	3.26	+4	+10	+40
UK	5.09	+2	+6	+61
Ireland	3.41	+4	+7	+38
Belgium	3.82	+5	+11	+48
France	4.11	+5	+15	+55
Italy	4.08	+5	+8	+57
Spain	3.71	+5	+8	+42
Portugal	3.61	+4	+9	+45
Greece	3.93	+6	+4	+45
5 Year Swap %				
US	4.35	-1	+1	+63
Eurozone	3.11	+3	+6	+55
UK	4.62	+2	+3	+73
2 Year Swap %				
US	4.25	-4	-11	+68
Eurozone	3.04	+4	+4	+79
UK	4.52	+3	-0	+79
10 Year Government Bond Spreads to Benchmark bps				
Ireland	15	-0	-2	-2
Belgium	56	+1	+1	+8
France	85	+0	+5	+15
Italy	82	+1	-1	+17
Spain	45	+0	-1	+2
Portugal	35	-0	-1	+6
Greece	67	+2	-6	+5

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	91.02	+0.17	+0.01	+49.58
West Texas Oil	86.48	+0.51	+0.51	+51.03
Gold $	4333.3	-1.85	+6.31	+0.45

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