Morning Comment

AIB Treasury Economic Research Unit

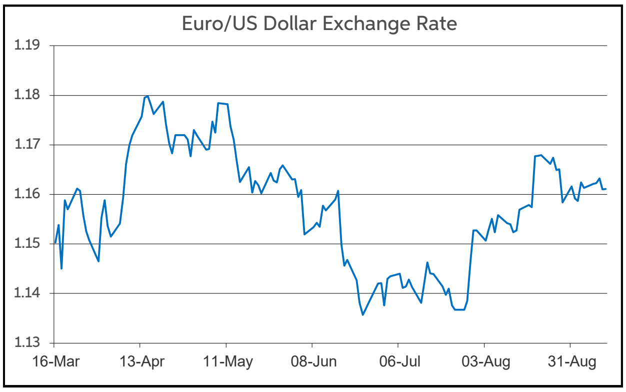
Friday 11 September 2026
07:22 am

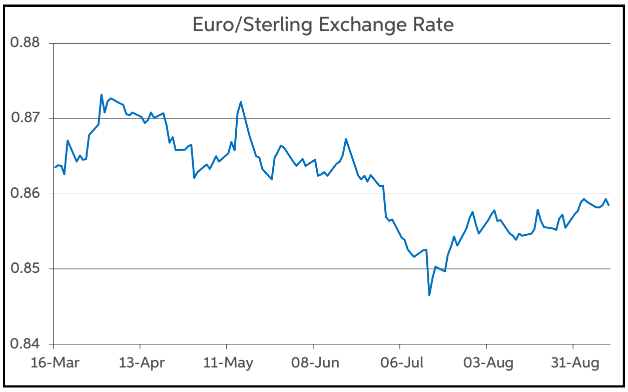
Spotlight on US inflation

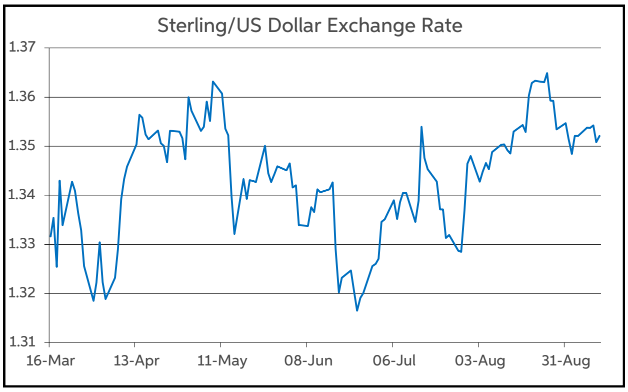
Investor sentiment remains in a risk-averse stance amid concerns regarding a potential drawn-out conflict in the Middle East and its impact on inflation, the global economy and government deficits. Further upward pressure on oil prices have kept these concerns to the forefront. Brent crude traded up to a high near $110 per barrel. Yesterday's ECB meeting also reinforced investors' worries regarding the potential negative macro impacts arising from a prolonged US-Iran war. The ECB hiked rates by 25bps for a second time this year, with the Depo rate increasing to 2.50%. Overall, the central bank struck a hawkish tone, refusing to rule out further tightening, revising its inflation projections higher, as well as noting the "upside risk" to these forecasts and downside risk to growth. The risk-off mood to sentiment was evident on both sides of the Atlantic. In Europe, the Euro Stoxx 50 declined by 0.7%. At the close on Wall Street last night, the S&P 500 was 0.6% lower on the day. Meantime, overnight the Nikkei has fallen by 2%.

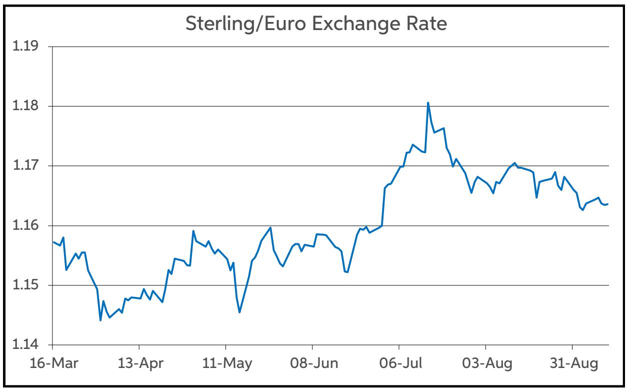
On the currency front, the majors have been confined to tight ranges. The ECB's hawkish communications coincided with a hardening in Eurozone rate expectations. However, there was a general rise across geographies in swap rates/yields. As a result, the euro did not experience any post-ECB upside. Of the limited moves recorded over the past 24 hours, the dollar is marginally firmer amid the risk averse backdrop and higher oil prices. EUR/USD is trading nearer to $1.16, while GBP/USD is in the lower half of $1.35-1.36. Elsewhere, EUR/GBP continues to trade just below 86p.

The Middle East and oil prices will continue to warrant attention today. In terms of the macro diary, the spotlight is on the release of US CPI inflation for August as it could be the deciding factor in whether the Fed hikes rates next week. Therefore, the data is a potential source of volatility for the dollar heading into the weekend.
John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1611	-0.21	-1.14
EUR/GBP	0.8585	0.01	-1.49
GBP/USD	1.3521	-0.23	0.36
GBP/EUR	1.1643	-0.01	1.51
USD/JPY	154.03	0.36	-1.67
EUR/JPY	178.86	0.15	-2.79

* 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	3.81	3.88	4.29	4.71	4.75
EUR	2.25	2.37	2.63	3.24	3.46	3.49
GBP	3.75	3.76	3.86	4.46	4.90	4.98

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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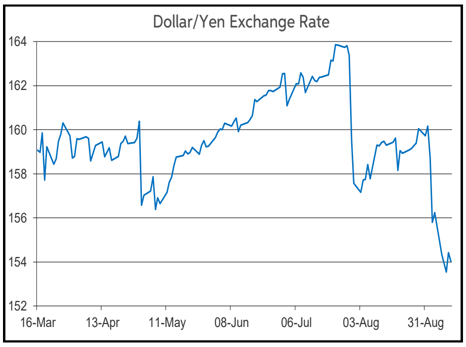
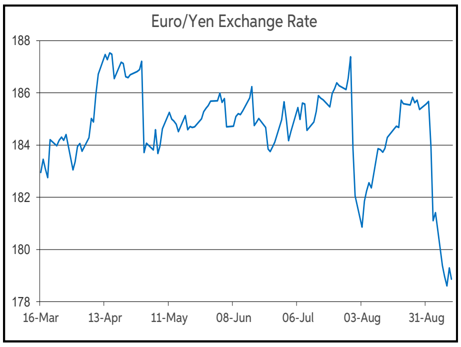
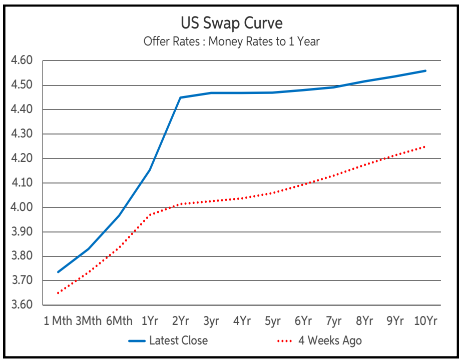
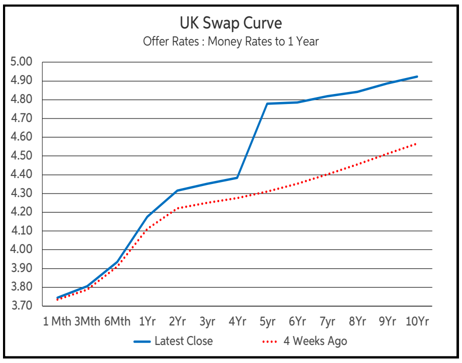
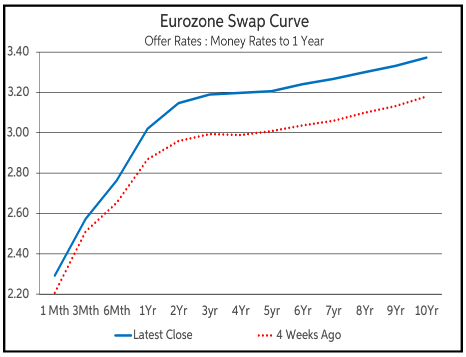
Euro		Sterling		Dollar	
EUR/GBP	0.8585	GBP/EUR	1.1643	USD/JPY	154.03
EUR/USD	1.1611	GBP/USD	1.3521	USD/CAD	1.3836
EUR/JPY	178.86	GBP/CAD	1.8707	USD/CHF	0.8126
EUR/SEK	11.2375	GBP/NZD	2.3172	USD/CNY	6.7085
EUR/DKK	7.4748	GBP/JPY	208.26	USD/BRL	5.1015
EUR/NOK	10.7807	GBP/SEK	13.0838	USD/RUB	84.42
EUR/CHF	0.9435	GBP/DKK	8.7019	USD/INR	95.72
EUR/AUD	1.6181	GBP/NOK	12.552		
EUR/HKD	9.1055	GBP/CHF	1.0986	AUD/USD	0.7174
EUR/CAD	1.6067	GBP/AUD	1.8842	NZD/USD	0.5833

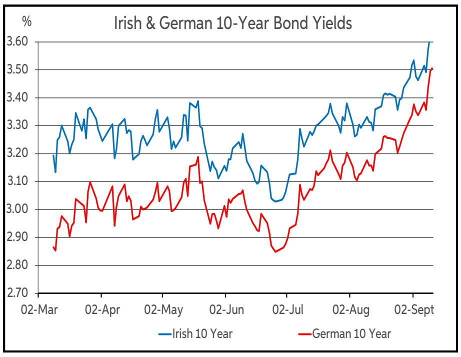












Debt Markets

	Close	Change bps Day	Change bps 4 Weeks	Change bps End 25
10 Year Yield %				
US	4.94	+11	+30	+79
Germany	3.50	+6	+36	+63
UK	5.38	+11	+42	+90
Ireland	3.62	+5	+34	+59
Belgium	4.12	+9	+45	+77
France	4.43	+10	+49	+87
Italy	4.39	+10	+48	+88
Spain	3.98	+10	+41	+69
Portugal	3.87	+8	+38	+71
Greece	4.19	+9	+41	+71
5 Year Swap %				
US	4.74	+13	+43	+101
Eurozone	3.46	+10	+45	+89
UK	4.98	+16	+46	+109
2 Year Swap %				
US	4.70	+14	+45	+113
Eurozone	3.41	+12	+45	+115
UK	4.92	+20	+49	+119
10 Year Government Bond Spreads to Benchmark bps				
Ireland	13	-1	-2	-4
Belgium	62	+3	+9	+14
France	94	+4	+13	+24
Italy	89	+5	+12	+24
Spain	48	+4	+5	+5
Portugal	37	+2	+2	+8
Greece	70	+3	+5	+8

Commodities

	Close	% Change Day	% Change 4 Weeks	% Change End 25
Brent Oil	107.63	+6.34	+23.61	+76.88
West Texas Oil	103.57	+6.49	+25.13	+80.88
Gold $	4315.7	-1.93	-0.79	+0.04

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