Morning Comment

AIB Treasury Economic Research Unit

Thursday 23 July 2026
07:52 am

ECB to leave rates on hold today

Once again the main focus was centred on the conflict in the Middle East yesterday. Overnight, military strikes continued for a 12th consecutive day. At the same time, the conflict appears to have spread, with the Iran backed Houthi militia in Yemen threatening to block shipping through the Red Sea. Saudi Arabia has been using the Red Sea as an alternative route to export oil.

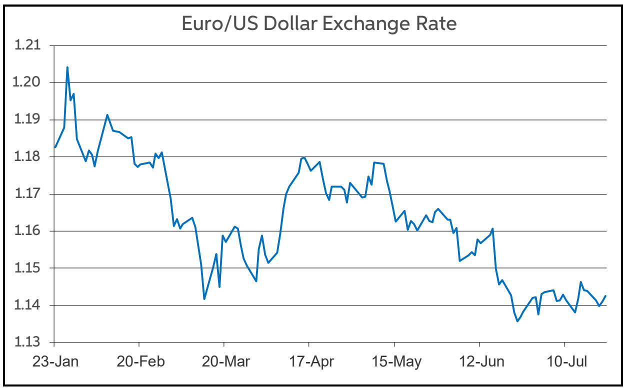
Against this backdrop, oil prices continued to climb higher yesterday. Brent crude oil prices reached a six-week high north of $95 per barrel, before settling back near $94. However, the wider market reaction to the re-escalation of the conflict remains relatively muted. The Euro Stoxx 50 gained 0.5% yesterday, while on Wall Street, the S&P 500 edged 0.1% lower.

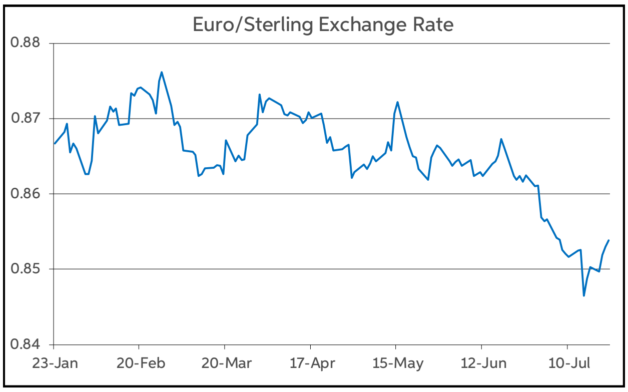
Currency-wise, the main pairs have stayed tightly range bound. Of the limited moves to register, the yen was holding a slightly firmer tone amid reports that the BoJ may tighten policy at a faster pace than previously anticipated. However, the currency handed back its gains over the course of the day.

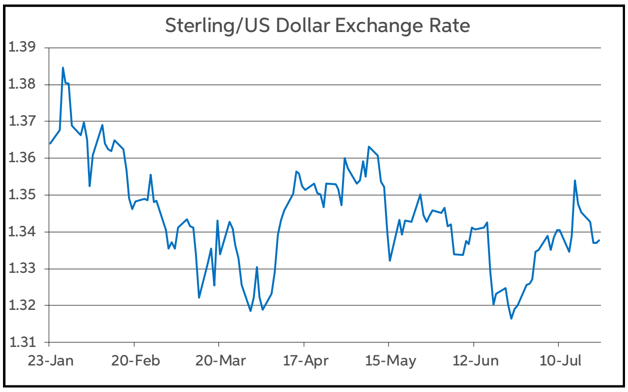
In level terms, EUR/USD opens this morning in the lower half of the $1.14-1.15 range. GBP/USD remains in the top half of the $1.33-1.34 corridor. EUR/GBP continues to operate in the bottom part of the 85-86p band. USD/JPY is in and around the ¥163 handle.

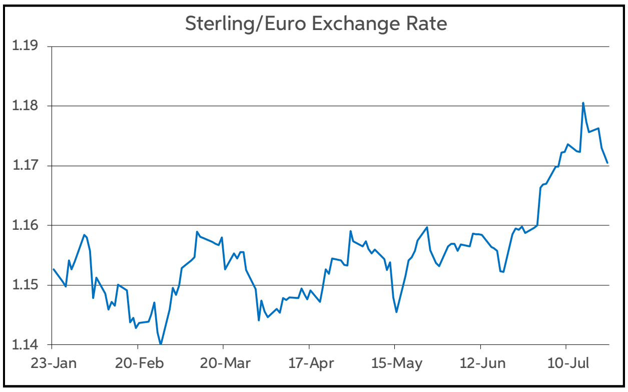
Looking ahead, the ECB is widely expected to leave rates on hold today. However, market participants will be paying close attention to the post meeting press conference with President Lagarde for guidance on the future path of policy. The market is currently fully pricing in a rate hike for the next ECB meeting in September. Investors will also continue to monitor developments in the Middle East.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1426	0.16	-2.72
EUR/GBP	0.8539	0.20	-2.02
GBP/USD	1.3377	-0.04	-0.71
GBP/EUR	1.1705	-0.20	2.06
USD/JPY	163.07	-0.06	4.10
EUR/JPY	186.35	0.11	1.28

* 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	3.72	3.81	4.12	4.43	4.40
EUR	2.25	2.20	2.48	2.93	3.07	3.09
GBP	3.75	3.74	3.81	4.23	4.59	4.65

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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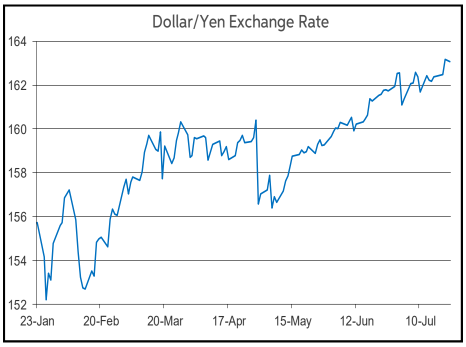
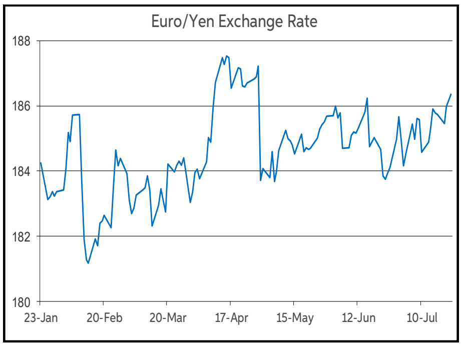
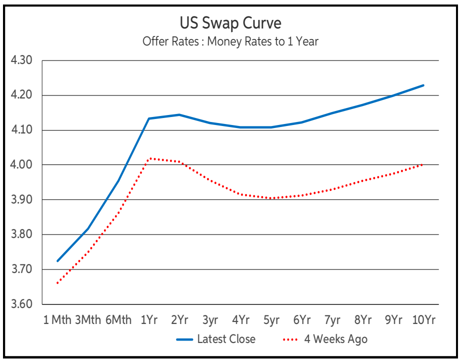
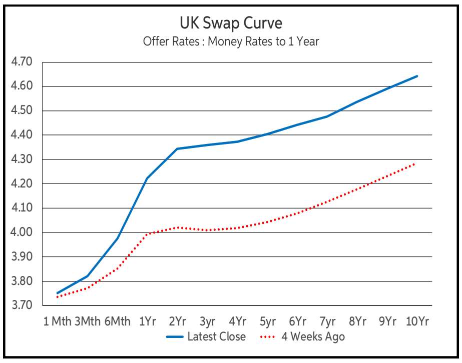
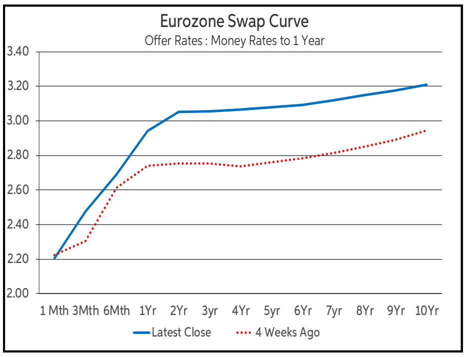
Euro		Sterling		Dollar	
EUR/GBP	0.8539	GBP/EUR	1.1705	USD/JPY	163.07
EUR/USD	1.1426	GBP/USD	1.3377	USD/CAD	1.4062
EUR/JPY	186.35	GBP/CAD	1.881	USD/CHF	0.8137
EUR/SEK	11.062	GBP/NZD	2.2987	USD/CNY	6.7694
EUR/DKK	7.4754	GBP/JPY	218.14	USD/BRL	5.0597
EUR/NOK	10.936	GBP/SEK	12.9488	USD/RUB	78.4
EUR/CHF	0.9297	GBP/DKK	8.7533	USD/INR	96.5375
EUR/AUD	1.6294	GBP/NOK	12.802		
EUR/HKD	8.9573	GBP/CHF	1.0886	AUD/USD	0.701
EUR/CAD	1.6065	GBP/AUD	1.908	NZD/USD	0.5817

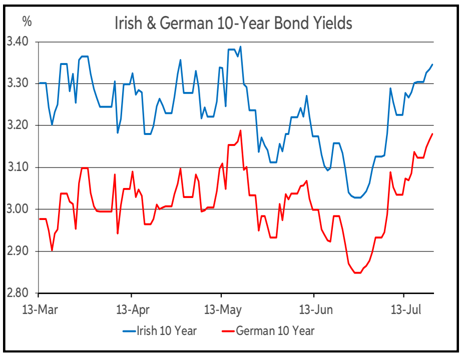












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.66	+3	+26	+50
Germany	3.18	+1	+31	+32
UK	5.04	+1	+35	+56
Ireland	3.35	+1	+31	+32
Belgium	3.72	+1	+30	+37
France	3.97	+1	+34	+41
Italy	4.00	+0	+40	+49
Spain	3.64	+0	+29	+34
Portugal	3.55	+2	+29	+39
Greece	3.91	+2	+35	+43
5 Year Swap %				
US	4.38	+5	+23	+66
Eurozone	3.07	+2	+32	+51
UK	4.62	+2	+34	+72
2 Year Swap %				
US	4.37	+1	+12	+80
Eurozone	3.05	+4	+30	+79
UK	4.56	+4	+31	+83
10 Year Government Bond Spreads to Benchmark bps				
Ireland	17	-0	-0	+0
Belgium	54	-1	-1	+6
France	79	-1	+3	+9
Italy	82	-1	+9	+17
Spain	46	-1	-2	+3
Portugal	37	+1	-2	+7
Greece	73	+0	+4	+11

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	94.07	+3.36	+27.57	+54.59
West Texas Oil	87.66	+1.88	+22.74	+53.09
Gold $	4129.3	+1.30	+3.22	-4.28

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