Morning Comment

AIB Treasury Economic Research Unit

Tuesday 01 September 2026
06:34 am

Eurozone flash HICP inflation due today

Trading conditions remained relatively subdued at the start of the week. There was a cautious tone to investor sentiment as market participants continued to digest the resumption of military strikes between the US and Iran. Against this backdrop, the Euro Stoxx 50 declined by 1.0%, while on Wall Street, the S&P 500 fell by 0.3%.

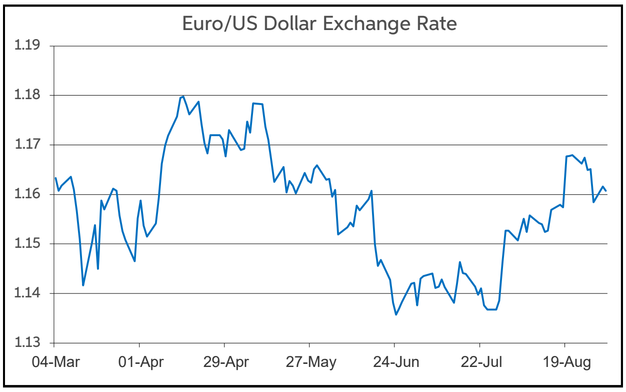
On bond markets, sovereign yields moved upwards across the board, led higher by the long-end of the curves. US Treasury yields rose by 1-5bps, with the 10-year yield rising to its highest level since January 2025 (4.76%). Similarly, German Bund yields by 2-5bps, as the 10-year yield reached a new 15-year peak (3.33%).

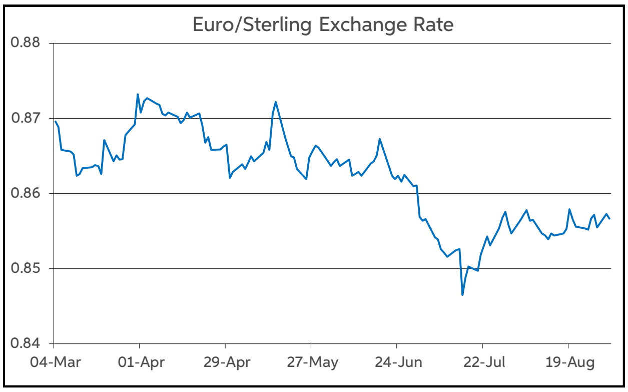
Data-wise, the only release of note was the flash reading of German HICP inflation for August. Inflation rose in the month to 2.9%, but printed below the consensus of 3.1%. The increase was largely driven by base effects in oil prices. However, there was little indication of second round inflation effects in the Eurozone's largest economy. Core inflation remained at 2.4%, while services inflation slowed for a second successive month, falling to 2.8%.

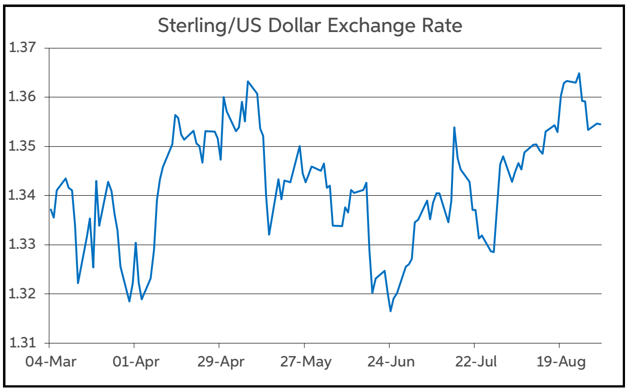
On the currency front, the main pairs were very tightly range bound. Of the limited moves to register, the euro was holding a marginally firmer tone. The single currency gained circa 0.1-0.2% against the dollar, sterling an yen. In level terms, this sees EUR/USD open back above the $1.16 threshold. EUR/GBP is operating up in the top half of the 85-86p band. Elsewhere, GBP/USD is at the midpoint of $1.35 -1.36. USD/JPY remains in the upper part of the ¥159-160 corridor.

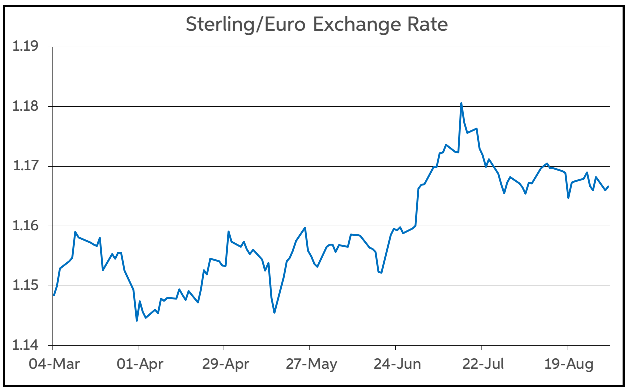
The main highlight today will be the flash reading of Eurozone inflation for August. The consensus is for the headline rate to rise to 3.3%. The core rate is projected to edge up to 2.3% from 2.2%.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1607	0.15	-1.17
EUR/GBP	0.8567	0.13	-1.70
GBP/USD	1.3545	0.01	0.53
GBP/EUR	1.1668	-0.13	1.73
USD/JPY	159.88	0.06	2.06
EUR/JPY	185.59	0.21	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	3.73	3.82	4.15	4.51	4.53
EUR	2.25	2.29	2.57	3.01	3.15	3.22
GBP	3.75	3.73	3.79	4.16	4.54	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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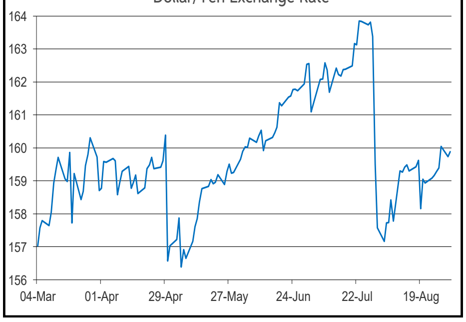
AIB

Euro	
EUR/GBP	0.8567
EUR/USD	1.1607
EUR/JPY	185.59
EUR/SEK	11.1319
EUR/DKK	7.475
EUR/NOK	10.8477
EUR/CHF	0.9394
EUR/AUD	1.6187
EUR/HKD	9.1001
EUR/CAD	1.609

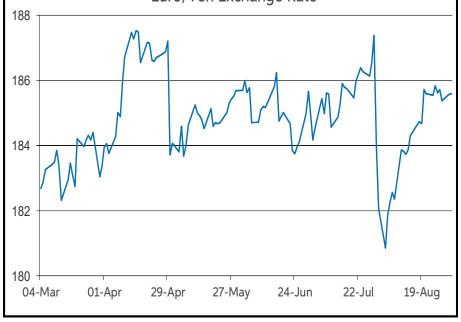
Sterling	
GBP/EUR	1.1668
GBP/USD	1.3545
GBP/CAD	1.8775
GBP/NZD	2.2912
GBP/JPY	216.56
GBP/SEK	12.9897
GBP/DKK	8.7204
GBP/NOK	12.66
GBP/CHF	1.0964
GBP/AUD	1.8889

Dollar	
USD/JPY	159.88
USD/CAD	1.3863
USD/CHF	0.8093
USD/CNY	6.7198
USD/BRL	5.1825
USD/RUB	85.85
USD/INR	94.845
AUD/USD	0.7168
NZD/USD	0.5908

Dollar/Yen Exchange Rate

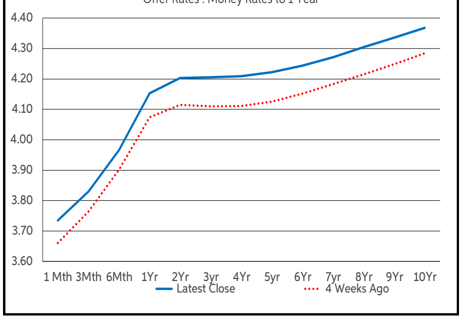


Euro/Yen Exchange Rate



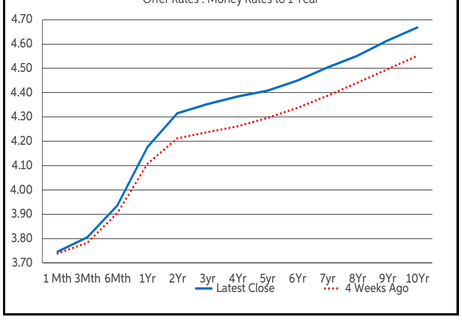
US Swap Curve

Offer Rates : Money Rates to 1 Year



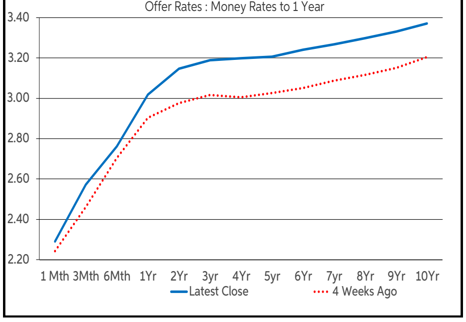
UK Swap Curve

Offer Rates : Money Rates to 1 Year

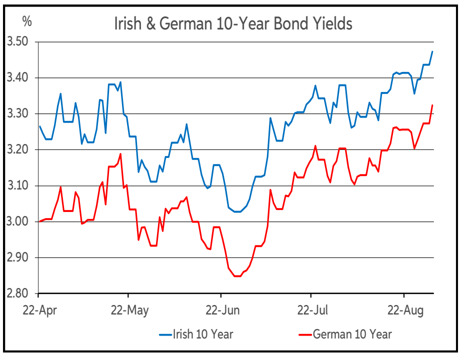


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.76	+4	+7	+61
Germany	3.32	+5	+17	+46
UK	5.07	+4	+11	+60
Ireland	3.47	+4	+17	+44
Belgium	3.88	+5	+20	+53
France	4.17	+5	+24	+61
Italy	4.17	+5	+22	+65
Spain	3.78	+5	+19	+49
Portugal	3.69	+5	+20	+53
Greece	3.99	+8	+17	+51
5 Year Swap %				
US	4.49	+2	+12	+76
Eurozone	3.20	+3	+18	+64
UK	4.65	+0	+13	+75
2 Year Swap %				
US	4.47	+2	+12	+90
Eurozone	3.14	+4	+17	+88
UK	4.54	-1	+11	+81
10 Year Government Bond Spreads to Benchmark bps				
Ireland	15	-1	-0	-2
Belgium	55	+0	+3	+7
France	85	-0	+7	+15
Italy	84	+0	+5	+19
Spain	46	-0	+2	+3
Portugal	37	+0	+3	+7
Greece	67	+3	+0	+5

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	90.49	+1.32	+8.02	+48.71
West Texas Oil	87.03	+2.91	+6.19	+51.99
Gold $	4448.3	-0.10	+9.76	+3.11

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