Morning Comment

AIB Treasury Economic Research Unit

Tuesday 18 August 2026
07:20 am

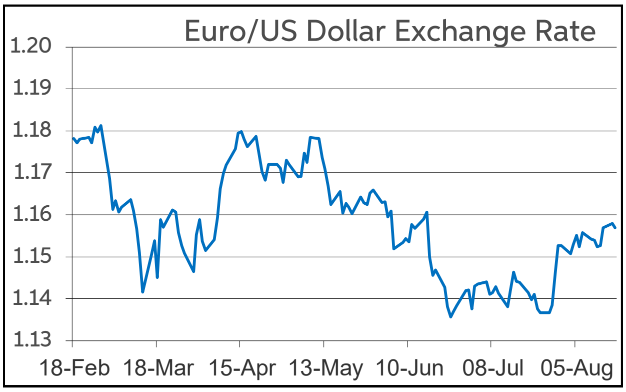
Narrow ranges for the FX majors

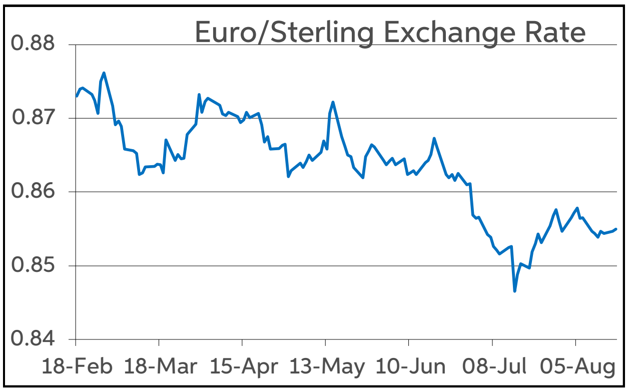
Market participants continued to keep a close eye yesterday on the Middle East for any developments related to the conflict. For much of the day it was quiet in terms of news. However, as the session progressed, some escalatory comments from the White House refocused attention on the risks of a prolonged conflict. Against this backdrop, oil prices remained volatile. Brent crude moved back up above the $90 per barrel threshold. Overall, investor sentiment held a cautious tone yesterday. This was evident in the main equity indices on both sides of the Atlantic being in a holding pattern for much of their respective trading sessions. In Europe, the Euro Stoxx 50 fell marginally, by 0.1%. At the closing bell on Wall Street last night, the S&P 500 was 0.5% lower on the day. Meanwhile, the yield on 30-year US Treasuries rose to near 20-year highs as investors pondered higher government spending and inflation.

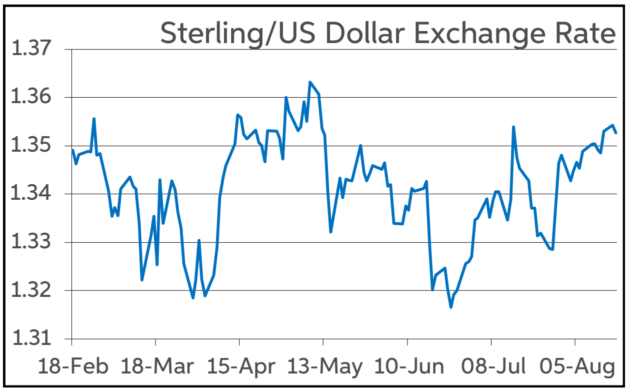
On the currency front, the action amongst the majors was contained within relatively narrow ranges. EUR/USD began the day testing up at the $1.16 threshold, trading to a high of $1.1614, before edging back modestly as some risk aversion/higher oil prices supported the dollar. Similarly, GBP/USD was initially trading above the midpoint of $1.35-1.36 before moving lower over the course of the day. Elsewhere, EUR/GBP continued to operate in a very restricted 85.3-85.6p trading range, while USD/JPY remained within the ¥159-160 band.

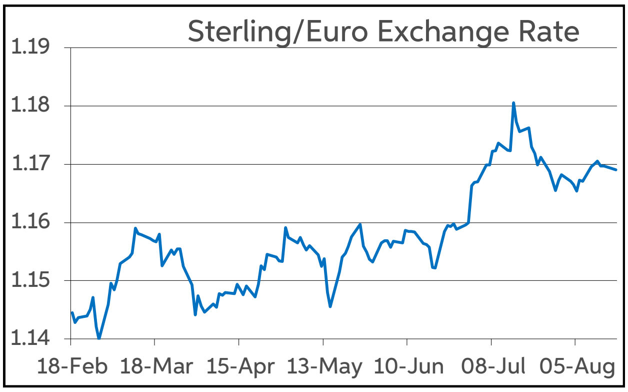
Today's macro diary has already seen a raft of UK labour market releases for Q2. This included the unemployment rate printing at 4.9%, which was slightly higher than forecast (4.8%). There has been no notable reaction from sterling to the data in early trading. The US calendar features industrial production and housing starts (both July). Meanwhile, the 'Middle East' will remain a key focus for markets as the 60-day negotiating period comes to an end.

John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1569	-0.12	-1.50
EUR/GBP	0.855	0.04	-1.89
GBP/USD	1.3527	-0.17	0.40
GBP/EUR	1.169	-0.04	1.93
USD/JPY	159.71	0.37	1.95
EUR/JPY	184.79	0.24	0.43

* 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	3.65	3.73	3.99	4.33	4.39
EUR	2.25	2.21	2.51	2.90	3.03	3.10
GBP	3.75	3.73	3.79	4.14	4.50	4.63

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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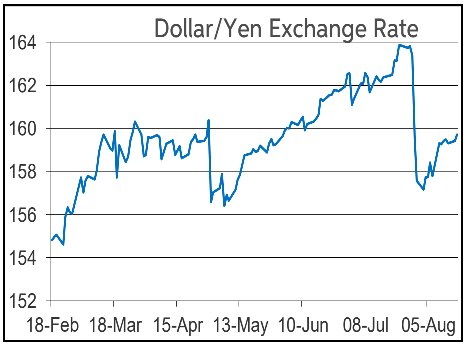
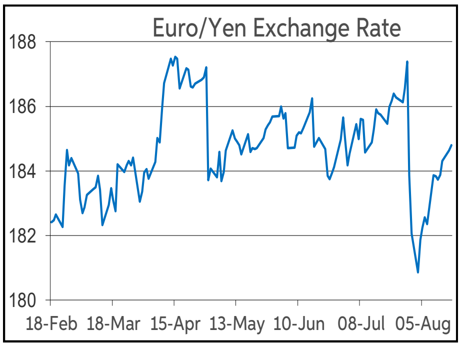
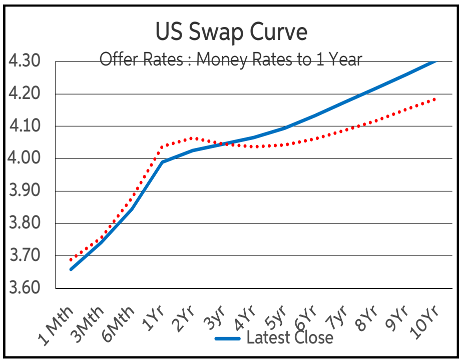
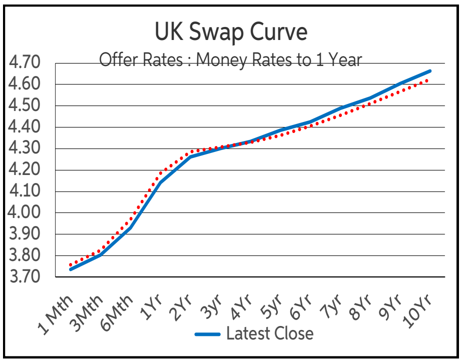
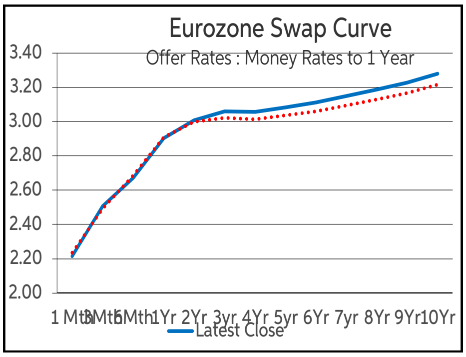
Euro		Sterling		Dollar	
EUR/GBP	0.855	GBP/EUR	1.169	USD/JPY	159.71
EUR/USD	1.1569	GBP/USD	1.3527	USD/CAD	1.3871
EUR/JPY	184.79	GBP/CAD	1.876	USD/CHF	0.8119
EUR/SEK	11.0226	GBP/NZD	2.3021	USD/CNY	6.7431
EUR/DKK	7.4756	GBP/JPY	216.04	USD/BRL	5.2046
EUR/NOK	10.8991	GBP/SEK	12.886	USD/RUB	85.2
EUR/CHF	0.9393	GBP/DKK	8.7387	USD/INR	95.67
EUR/AUD	1.6297	GBP/NOK	12.7417		
EUR/HKD	9.0756	GBP/CHF	1.0982	AUD/USD	0.7097
EUR/CAD	1.6045	GBP/AUD	1.9052	NZD/USD	0.5874

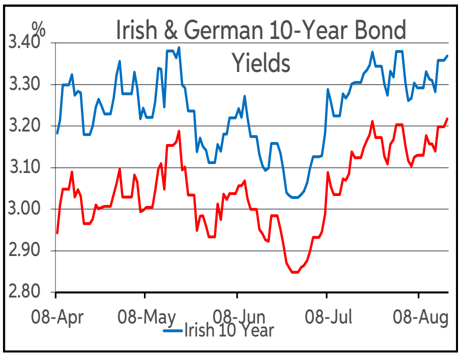












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.72	+3	+13	+57
Germany	3.22	+2	+7	+36
UK	5.07	+3	+3	+59
Ireland	3.37	+1	+4	+34
Belgium	3.77	+2	+8	+43
France	4.07	+3	+12	+51
Italy	4.03	+3	+4	+52
Spain	3.67	+2	+5	+37
Portugal	3.57	+1	+7	+41
Greece	3.86	+4	+1	+39
5 Year Swap %				
US	4.36	+1	+6	+63
Eurozone	3.08	+1	+5	+52
UK	4.60	+1	+0	+71
2 Year Swap %				
US	4.28	+1	-2	+71
Eurozone	3.00	+1	+1	+75
UK	4.49	+2	-3	+76
10 Year Government Bond Spreads to Benchmark bps				
Ireland	15	-1	-3	-1
Belgium	56	+0	+1	+7
France	85	+1	+5	+15
Italy	81	+1	-3	+16
Spain	45	-0	-2	+2
Portugal	35	-1	-0	+6
Greece	65	+2	-6	+3

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	90.87	+2.65	+1.85	+49.33
West Texas Oil	86.04	+2.44	+1.97	+50.26
Gold $	4415.2	+0.90	+10.22	+2.34

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