

## Risk averse mood on markets continues

The risk averse mood at the start of the week persisted yesterday. Ongoing concerns regarding the conflict in the Middle East and the impact it is having on inflation were front and centre once again. Brent crude oil prices rose by 5%, to above \$95 per barrel. Similarly, European natural gas prices moved 4% higher, to circa €73/MWh.

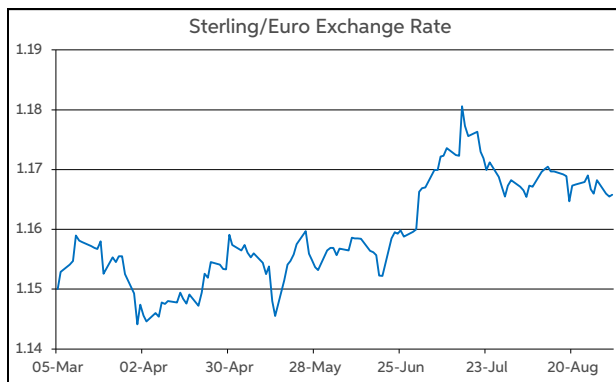
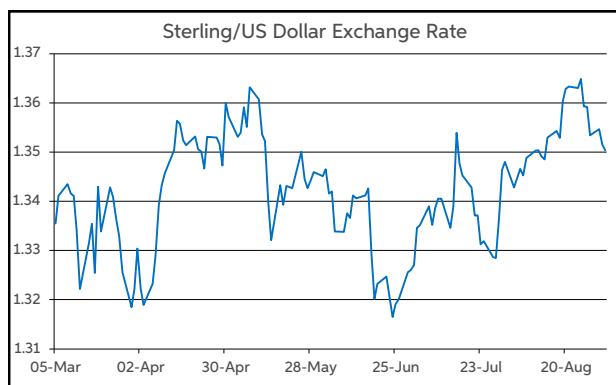
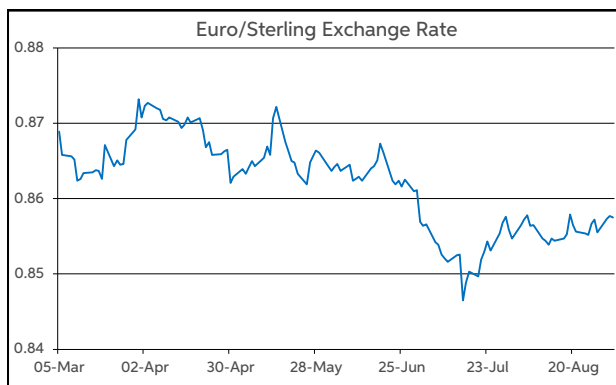
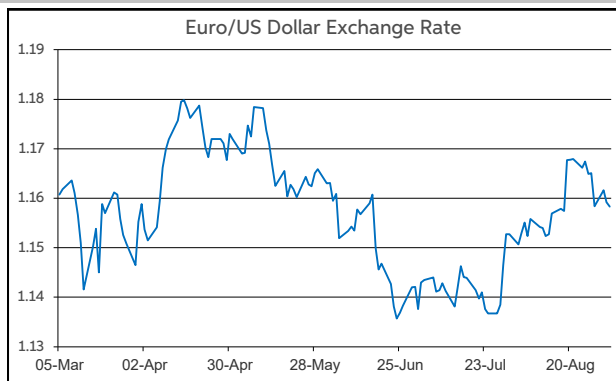
Against this backdrop, the Euro Stoxx 50 shed 0.8%, while the S&P 500 declined by 0.7%. Elsewhere, UK Gilt yields climbed 7-12bps higher, as UK markets returned from a long weekend. German Bund and US Treasury yields remained elevated, with their respective 10-year instruments staying near multi-year highs.

On the data front, the flash reading of Eurozone headline inflation matched the consensus, rising to 3.3% in August, a new year-to-date peak. However, the ex-food & energy rate came in below expectations, easing slightly to 2.1% in the month. This indicates that underlying price pressures in the Eurozone remain contained. Nevertheless, Eurozone futures contracts firmed modestly by 5-10bps yesterday, in line with similar moves in US and UK market rate expectations. Some hawkish remarks from Fed and ECB officials may have contributed to the hardening in rates.

Currency-wise, the main pairs remained range bound. Of the limited price action to note, the dollar was holding a marginally firmer tone. This is reflected by EUR/USD opening this morning back below the \$1.16 threshold. GBP/USD is operating down at \$1.35. Elsewhere, EUR/GBP remains in the top half of the 85-86p band.

Turning to the day ahead, the macro calendar is sparse on both sides of the Atlantic. FX markets are likely to remain range bound as a result. Meantime, development in the Middle East will be in focus given the re-escalation of military action in recent days.

**Daniel Noonan, Economist, AIB**



### Today's Opening FX Rates

|         |        | % Change |          |
|---------|--------|----------|----------|
|         |        | Day *    | End 2025 |
| EUR/USD | 1.1579 | -0.22    | -1.41    |
| EUR/GBP | 0.8572 | 0.05     | -1.64    |
| GBP/USD | 1.3505 | -0.27    | 0.24     |
| GBP/EUR | 1.1661 | -0.05    | 1.67     |
| USD/JPY | 159.57 | -0.18    | 1.86     |
| EUR/JPY | 184.78 | -0.41    | 0.43     |

\* v Previous Day's European Open

See Next Page for More Rates

### Opening Interest Rates

|     | Base Rate | Money Market |       | Swap Rates |      |      |
|-----|-----------|--------------|-------|------------|------|------|
|     |           | 1-Mth        | 3-Mth | 1-Yr       | 2-Yr | 5-Yr |
| USD | 3.63      | 3.74         | 3.83  | 4.18       | 4.54 | 4.56 |
| EUR | 2.25      | 2.26         | 2.59  | 3.07       | 3.22 | 3.28 |
| GBP | 3.75      | 3.75         | 3.83  | 4.28       | 4.68 | 4.77 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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# Opening Levels

Wednesday 02 September 2026  
07:11 am



## Euro

|         |        |
|---------|--------|
| EUR/GBP | 0.8575 |
| EUR/USD | 1.1583 |
| EUR/JPY | 184.69 |
| EUR/SEK | 11.15  |
| EUR/DKK | 7.4754 |
| EUR/NOK | 10.799 |
| EUR/CHF | 0.9407 |
| EUR/AUD | 1.6203 |
| EUR/HKD | 9.082  |
| EUR/CAD | 1.6109 |

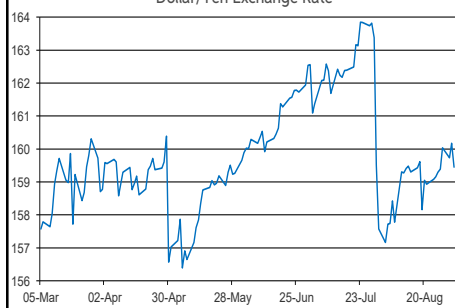
## Sterling

|         |         |
|---------|---------|
| GBP/EUR | 1.1657  |
| GBP/USD | 1.3504  |
| GBP/CAD | 1.8782  |
| GBP/NZD | 2.3089  |
| GBP/JPY | 215.32  |
| GBP/SEK | 12.9988 |
| GBP/DKK | 8.7147  |
| GBP/NOK | 12.5878 |
| GBP/CHF | 1.0967  |
| GBP/AUD | 1.8891  |

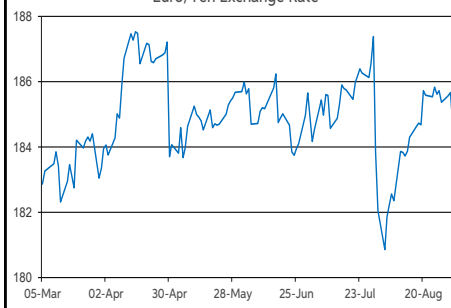
## Dollar

|         |        |
|---------|--------|
| USD/JPY | 159.45 |
| USD/CAD | 1.3909 |
| USD/CHF | 0.8122 |
| USD/CNY | 6.7211 |
| USD/BRL | 5.153  |
| USD/RUB | 86.9   |
| USD/INR | 94.96  |
| AUD/USD | 0.7146 |
| NZD/USD | 0.5846 |

Dollar/Yen Exchange Rate

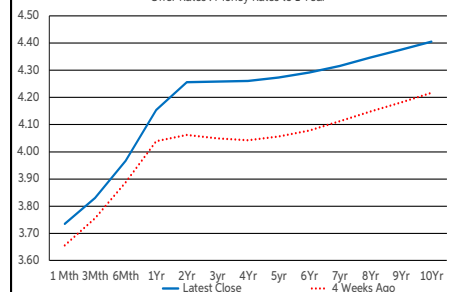


Euro/Yen Exchange Rate



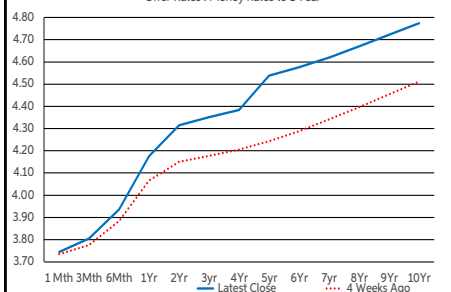
US Swap Curve

Offer Rates : Money Rates to 1 Year



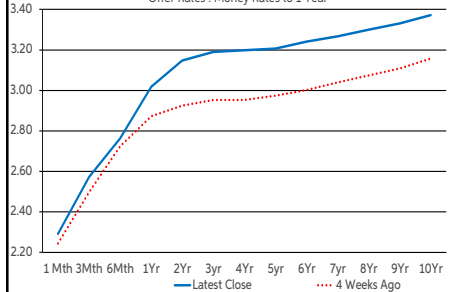
UK Swap Curve

Offer Rates : Money Rates to 1 Year

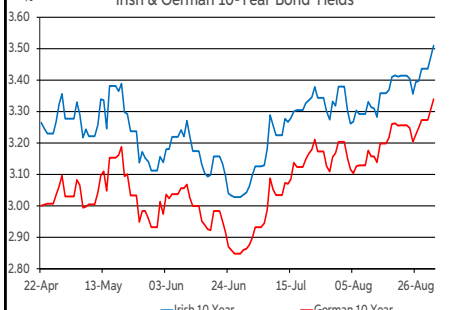


Eurozone Swap Curve

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                                               | 4.80  | +4         | +17     | +64    |
| Germany                                          | 3.34  | +1         | +22     | +48    |
| UK                                               | 5.22  | +16        | +33     | +75    |
| Ireland                                          | 3.52  | +4         | +26     | +49    |
| Belgium                                          | 3.89  | +1         | +26     | +54    |
| France                                           | 4.20  | +3         | +32     | +64    |
| Italy                                            | 4.18  | +2         | +32     | +67    |
| Spain                                            | 3.80  | +2         | +26     | +51    |
| Portugal                                         | 3.70  | +1         | +24     | +54    |
| Greece                                           | 4.02  | +3         | +25     | +54    |
| 5 Year Swap %                                    |       |            |         |        |
| US                                               | 4.55  | +5         | +24     | +82    |
| Eurozone                                         | 3.27  | +7         | +30     | +71    |
| UK                                               | 4.76  | +12        | +31     | +87    |
| 2 Year Swap %                                    |       |            |         |        |
| US                                               | 4.51  | +3         | +21     | +93    |
| Eurozone                                         | 3.20  | +6         | +28     | +95    |
| UK                                               | 4.67  | +14        | +31     | +94    |
| 10 Year Government Bond Spreads to Benchmark bps |       |            |         |        |
| Ireland                                          | 18    | +3         | +3      | +1     |
| Belgium                                          | 55    | -0         | +4      | +7     |
| France                                           | 86    | +1         | +10     | +17    |
| Italy                                            | 85    | +0         | +10     | +20    |
| Spain                                            | 46    | +0         | +4      | +3     |
| Portugal                                         | 36    | -1         | +1      | +7     |
| Greece                                           | 68    | +1         | +2      | +7     |

## Commodities

|                | Close  | % Change |         |        |
|----------------|--------|----------|---------|--------|
|                |        | Day      | 4 Weeks | End 25 |
| Brent Oil      | 94.65  | +4.60    | +19.27  | +55.55 |
| West Texas Oil | 91.48  | +5.11    | +18.30  | +59.76 |
| Gold \$        | 4328.6 | -2.69    | +6.20   | +0.34  |

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