Morning Comment

AIB Treasury Economic Research Unit

Wednesday 15 July 2026
07:08 am

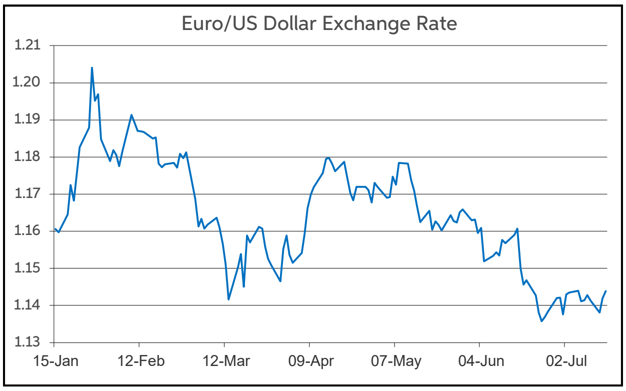
US inflation prints below expectations

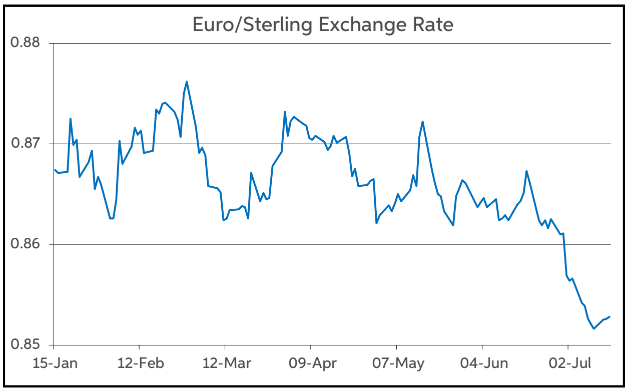
On-going military strikes between the US and Iran meant investors had plenty of geopolitical risk to digest yesterday. The macro diary was also a busy source of information for markets to absorb with the key US data release of the week - CPI inflation for June - as well as Fed Chair Warsh semi-annual Congressional testimony. In terms of the CPI update, the June figures showed inflation easing by more than expected. The headline inflation number slowed to 3.5% in June from 4.2% and versus a forecast for 3.8%. The core rate also undershot versus the consensus, printing at 2.6%, from 2.9% (vs. f'cast for 2.8%). Meantime, Fed Chair Warsh's testimony did not provide any new insight regarding the outlook for official US interest rates.

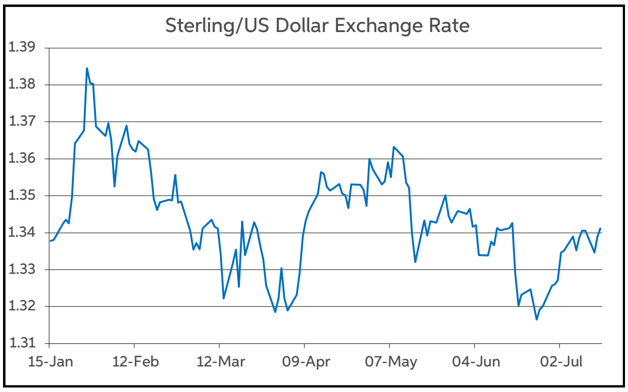
Overall, there was a generally cautious tone to investor sentiment yesterday. The main equity indices were in sideways mode for much of the day. However, by the close last night, the S&P 500 managed to post a gain 0.4%. Oil prices have seen some stabilisation over the past 24 hours, with Brent crude opening this morning near $85 per barrel, similar to yesterday. The lower than expected CPI inflation report for June coincided with a softening in US rate expectations. The policy sensitive 2-year rate fell by around 10bps. Meanwhile, futures contracts adjusted to attach around a 65% probability to a 25bps Fed rate hike in September (was nearer to 90% before CPI news). There was some easing in Eurozone and UK swap rates as well yesterday, but not to the same extent.

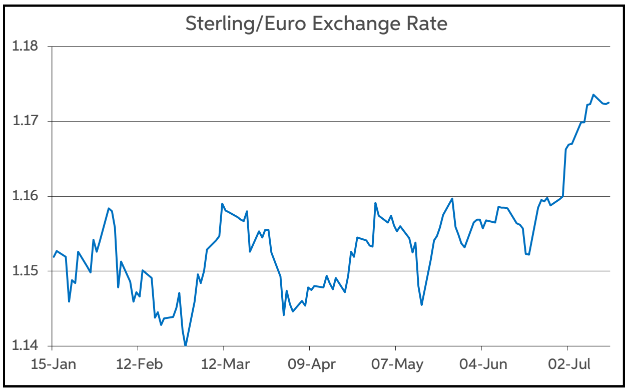
From a currency perspective, these movements in relative interest rate differentials created some downward momentum for the dollar. This was reflected in EUR/USD edging up towards the midpoint of $1.14-1.15 and GBP/USD regaining $1.34. Elsewhere, EUR/GBP remained in the lower end of 85-86p. Today's macro diary is relatively sparse. This leaves 'Middle East' related developments as the main potential dial mover for markets.

John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1439	0.43	-2.61
EUR/GBP	0.8528	0.04	-2.15
GBP/USD	1.3411	0.39	-0.46
GBP/EUR	1.1722	-0.04	2.19
USD/JPY	162.18	-0.08	3.53
EUR/JPY	185.53	0.35	0.84

* 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	3.67	3.74	4.01	4.33	4.31
EUR	2.25	2.22	2.43	2.88	2.96	2.99
GBP	3.75	3.74	3.81	4.15	4.48	4.55

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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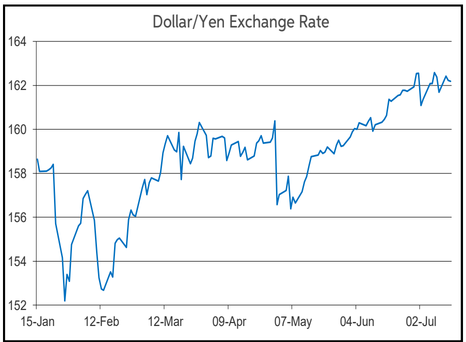
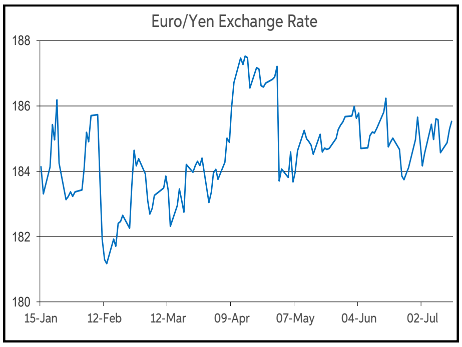
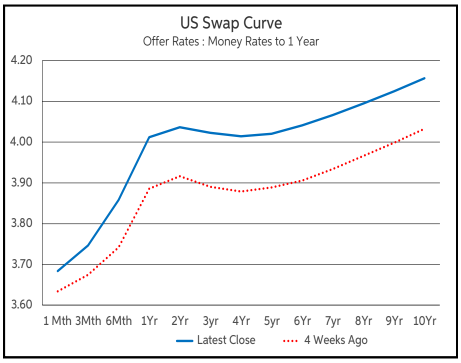
Euro	
EUR/GBP	0.8528
EUR/USD	1.1439
EUR/JPY	185.53
EUR/SEK	11.0319
EUR/DKK	7.4751
EUR/NOK	11.0836
EUR/CHF	0.9253
EUR/AUD	1.6373
EUR/HKD	8.9653
EUR/CAD	1.6078

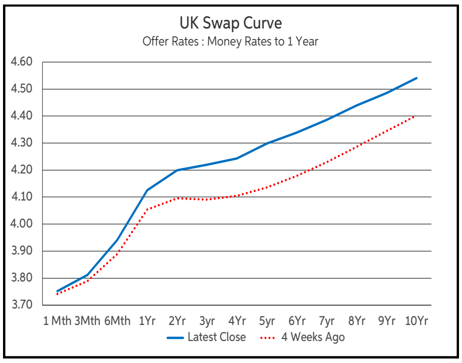
Sterling	
GBP/EUR	1.1722
GBP/USD	1.3411
GBP/CAD	1.8848
GBP/NZD	2.3041
GBP/JPY	217.5
GBP/SEK	12.9347
GBP/DKK	8.7644
GBP/NOK	12.9853
GBP/CHF	1.0849
GBP/AUD	1.9193

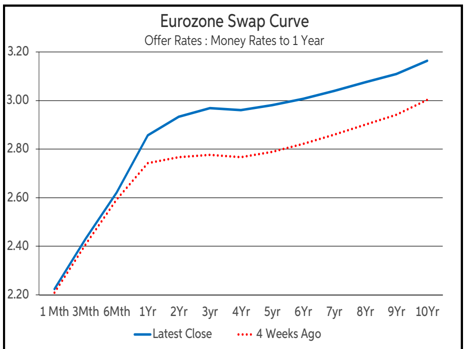
Dollar	
USD/JPY	162.18
USD/CAD	1.4054
USD/CHF	0.8087
USD/CNY	6.7668
USD/BRL	5.0723
USD/RUB	78
USD/INR	96.1625
AUD/USD	0.6986
NZD/USD	0.5818

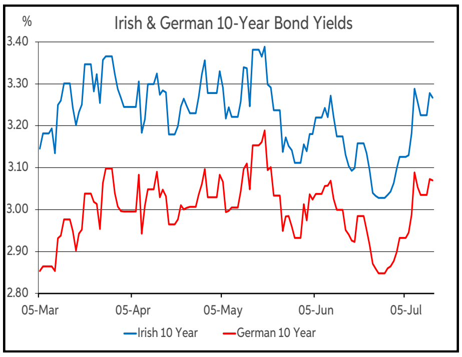












Debt Markets

	Close	Change bps Day	Change bps 4 Weeks	Change bps End 25
10 Year Yield %				
US	4.59	-3	+16	+43
Germany	3.07	-0	+13	+21
UK	4.99	+1	+19	+51
Ireland	3.27	-1	+16	+24
Belgium	3.64	-1	+16	+29
France	3.88	-0	+21	+32
Italy	3.88	-0	+23	+37
Spain	3.57	-0	+21	+28
Portugal	3.45	-0	+15	+30
Greece	3.79	+5	+19	+31
5 Year Swap %				
US	4.30	-5	+15	+57
Eurozone	2.97	-2	+19	+41
UK	4.54	-1	+21	+64
2 Year Swap %				
US	4.28	-9	+11	+71
Eurozone	2.93	-0	+17	+67
UK	4.47	-2	+17	+74
10 Year Government Bond Spreads to Benchmark bps				
Ireland	20	-1	+3	+3
Belgium	57	-0	+3	+8
France	81	+0	+8	+11
Italy	81	-0	+10	+16
Spain	50	+0	+8	+7
Portugal	38	+0	+2	+9
Greece	72	+5	+6	+10

Commodities

	Close	% Change Day	% Change 4 Weeks	% Change End 25
Brent Oil	84.73	+1.72	+7.31	+39.24
West Texas Oil	80.44	+1.57	+0.80	+40.48
Gold $	4053.9	+1.33	-6.38	-6.03

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