Morning Comment

AIB Treasury Economic Research Unit

Wednesday 16 September 2026
07:03 am

Focus on the Fed today

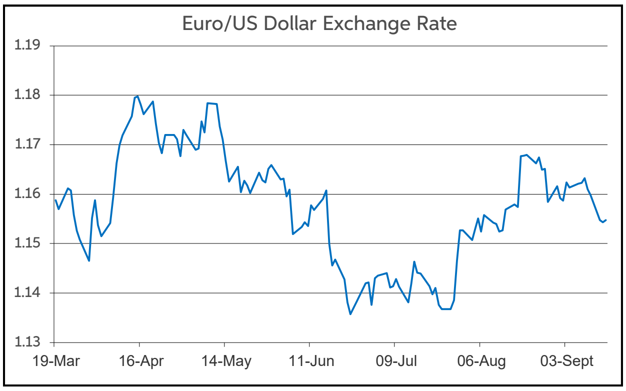
The risk averse tone to investor sentiment persisted yesterday, as oil prices continued to grind higher. Brent crude rose to circa $108 per barrel. At the same time, bonds remained under pressure. US Treasury yields stayed elevated, with the 10-year continuing to flirt with the 5% level. Elsewhere, long-dated European sovereign yields edged higher. Against this backdrop, the Euro Stoxx 50 and the S&P 500 each shed 0.4%.

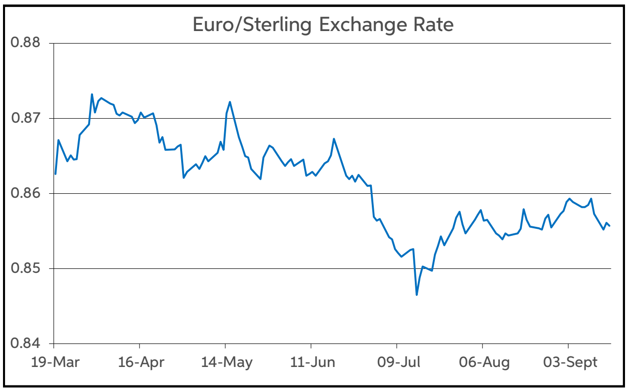
On the currency front, the main pairs continued to operate within very tight ranges over the past 24 hours. A relatively sparse data calendar likely contributed to the muted price action. Of the limited moves to note, the yen remained on the defensive. It depreciated by 0.3-0.4% versus the euro and the dollar yesterday.

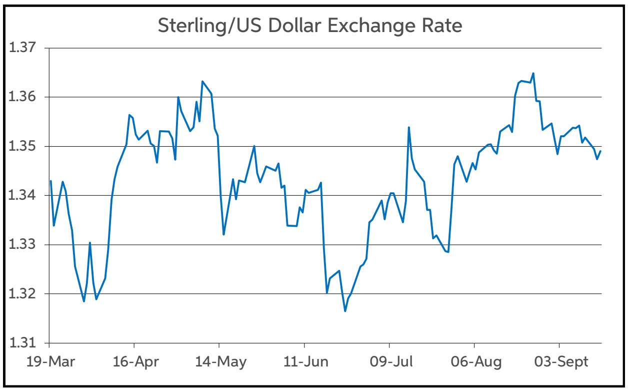
In level terms, this is reflected by USD/JPY opening today above the ¥155 threshold. EUR/USD is changing hands near the midpoint of the $1.15-1.16 band. EUR/GBP continues to operate in the top half of the 85-86p corridor. Meanwhile, GBP/USD is in the upper region of the $1.34-1.35 range.

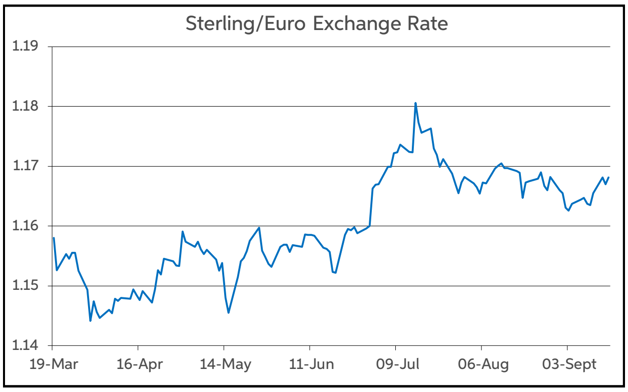
Already this morning UK CPI inflation data for August have been released. The headline rate rose to 3.1% but the core rate was unchanged at 2.6%. Both prints were in line with the consensus. The data have not impacted sterling so far in early trading. Later today, US retail sales data for August are due.

However, the main focus today will be on the Fed FOMC policy announcement. Over the past week market rate expectations have firmed markedly. Indeed, current pricing indicates the market now sees a 90% chance of a rate hike today, up from circa 55% last Monday. The post-meeting press conference and updated Summary of Economic Projections will also warrant close attention.
Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1547	0.10	-1.69
EUR/GBP	0.8562	0.09	-1.76
GBP/USD	1.3483	0.01	0.07
GBP/EUR	1.1675	-0.09	1.79
USD/JPY	155.17	0.28	-0.94
EUR/JPY	179.19	0.39	-2.61

* 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	3.88	3.97	4.39	4.82	4.82
EUR	2.50	2.39	2.66	3.31	3.50	3.52
GBP	3.75	3.75	3.85	4.43	4.92	4.99

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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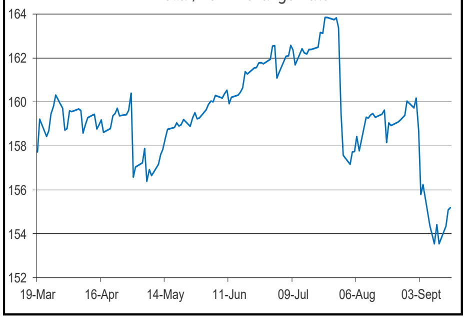
Euro	
EUR/GBP	0.8562
EUR/USD	1.1547
EUR/JPY	179.19
EUR/SEK	11.2786
EUR/DKK	7.4753
EUR/NOK	10.7707
EUR/CHF	0.9447
EUR/AUD	1.619
EUR/HKD	9.0583
EUR/CAD	1.6075

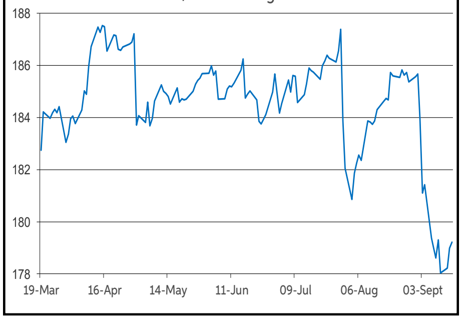
Sterling	
GBP/EUR	1.1675
GBP/USD	1.3483
GBP/CAD	1.8769
GBP/NZD	2.3429
GBP/JPY	209.22
GBP/SEK	13.1677
GBP/DKK	8.728
GBP/NOK	12.574
GBP/CHF	1.1032
GBP/AUD	1.8903

Dollar	
USD/JPY	155.17
USD/CAD	1.3922
USD/CHF	0.818
USD/CNY	6.7081
USD/BRL	5.1532
USD/RUB	84.3983
USD/INR	95.935
AUD/USD	0.713
NZD/USD	0.5752

Dollar/Yen Exchange Rate

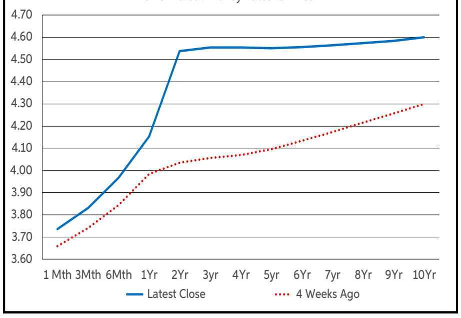


Euro/Yen Exchange Rate



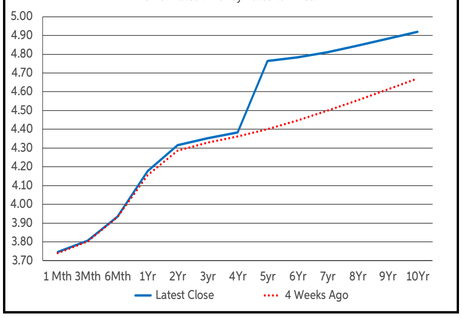
US Swap Curve

Offer Rates : Money Rates to 1 Year



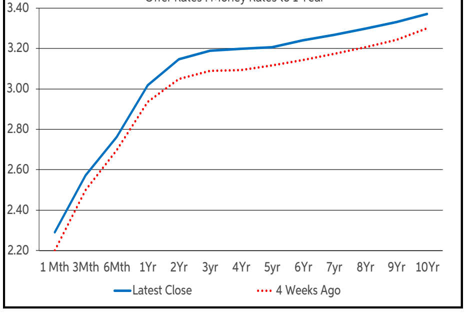
UK Swap Curve

Offer Rates : Money Rates to 1 Year

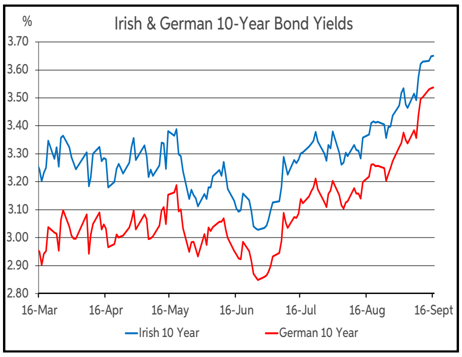


Eurozone Swap Curve

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	5.00	+4	+29	+84
Germany	3.53	+0	+27	+67
UK	5.39	+2	+30	+92
Ireland	3.65	+2	+24	+62
Belgium	4.16	-1	+34	+81
France	4.50	+3	+38	+94
Italy	4.41	+2	+33	+90
Spain	4.01	+2	+29	+71
Portugal	3.91	-0	+30	+75
Greece	4.29	-0	+36	+81
5 Year Swap %				
US	4.80	-1	+45	+108
Eurozone	3.52	+4	+41	+96
UK	4.98	+1	+36	+109
2 Year Swap %				
US	4.78	-2	+50	+120
Eurozone	3.49	+2	+45	+123
UK	4.91	+2	+40	+118
10 Year Government Bond Spreads to Benchmark bps				
Ireland	12	+1	-3	-5
Belgium	62	-1	+6	+14
France	96	+2	+11	+27
Italy	88	+1	+6	+23
Spain	47	+2	+2	+4
Portugal	38	-0	+2	+8
Greece	75	-0	+9	+14

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	108.75	+2.90	+19.48	+78.72
West Texas Oil	107.02	+4.49	+23.75	+86.90
Gold $	4292.7	-0.12	-0.94	-0.50

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