Morning Comment

AIB Treasury Economic Research Unit

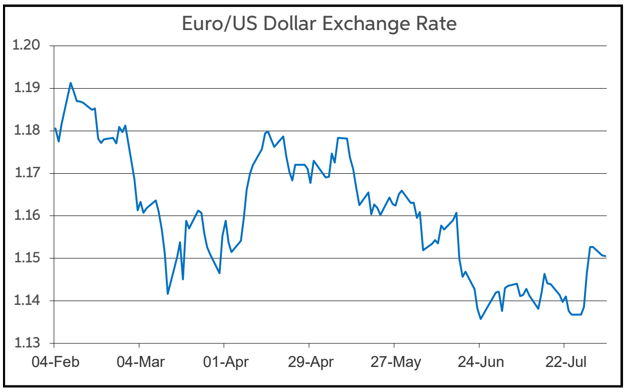
Tuesday 04 August 2026
07:17 am

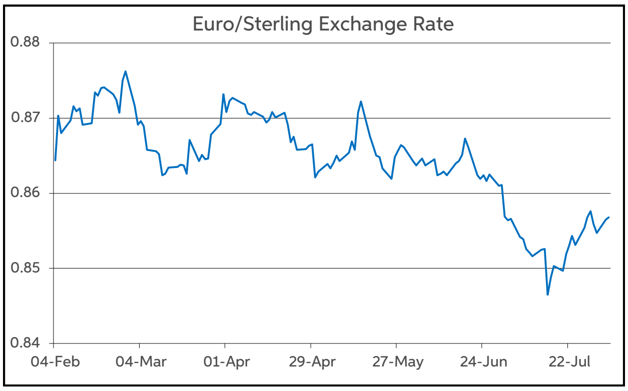
Positive start to the month

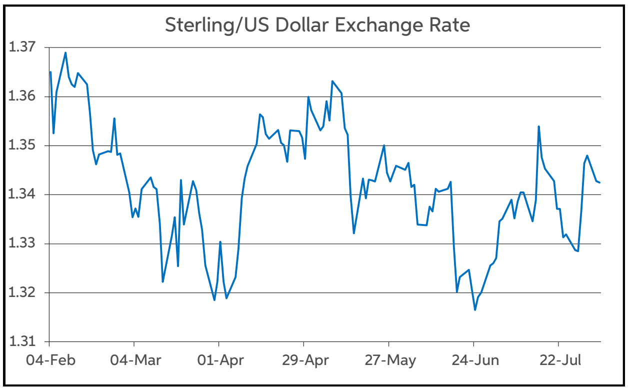
The first trading day of August saw investor sentiment start the month in a positive frame of mind. Weekend news regarding the Middle East conflict, with the US saying it was pausing military strikes on Iran and resuming talks to end the war, provided a supportive backdrop for risk appetite yesterday. Oil prices eased back, with Brent crude falling below $85 per barrel. An upside surprise to the main macro data publication yesterday was also helpful to market sentiment. The US manufacturing ISM for July rose to 55.6 from 53.3 and versus a forecast for 54.0. The underlying details in the report were also encouraging for the manufacturing side of the US economy. The upbeat tone to investor sentiment was evident in solid gains for the main equity indices on both sides of the Atlantic. In Europe, the Euro Stoxx 50 rose by 1.1%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 1.5% higher on the day.

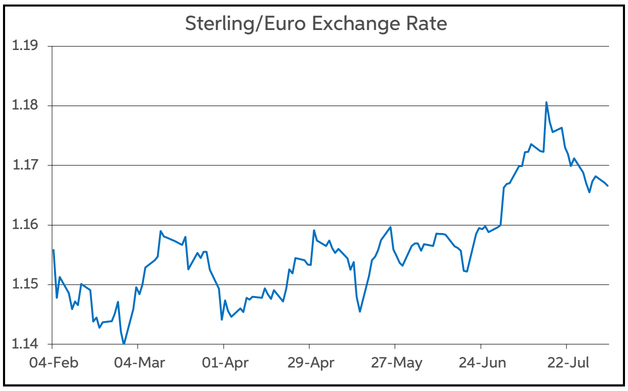
From a currency viewpoint, most of the main pairs operated within relatively narrow ranges yesterday. This pattern has continued in overnight trading on Asia-Pacific markets. Of the action to register over the past 24 hours, the dollar is marginally firmer against the euro and sterling. In level terms, this is reflected in EUR/USD operating in around the $1.15 threshold, while GBP/USD is back in the lower half of $1.34-1.35. The action in EUR/GBP continues to be contained within the 85-86p corridor. Elsewhere, the yen which grabbed all the FX headlines last week after 'official' intervention, opens this morning versus the dollar below ¥158.

Ahead today, the macro data calendar is sparse. The only release of any note is US job openings data for June, which does not tend to be a dial mover for markets. Therefore, market participants will have ample time to digest any news/developments in relation to the Middle East conflict.
John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1505	-0.24	-2.04
EUR/GBP	0.8568	0.09	-1.69
GBP/USD	1.3425	-0.33	-0.36
GBP/EUR	1.1667	-0.09	1.72
USD/JPY	157.66	0.77	0.64
EUR/JPY	181.41	0.53	-1.40

* 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	3.64	3.75	4.06	4.39	4.40
EUR	2.25	2.21	2.48	2.90	2.99	3.03
GBP	3.75	3.73	3.77	4.09	4.43	4.53

All rates quoted are indicative market rates **See Next Page For More Rates & Charts**

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All Data Sourced from Refinitiv

Opening Levels

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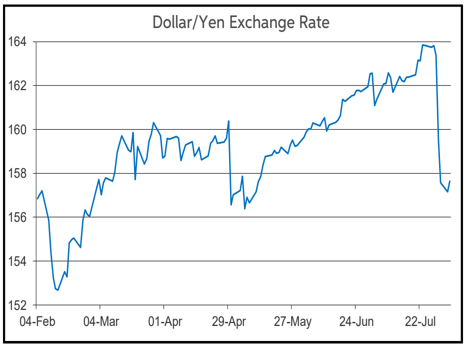
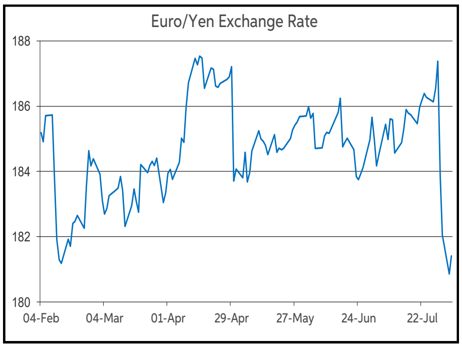
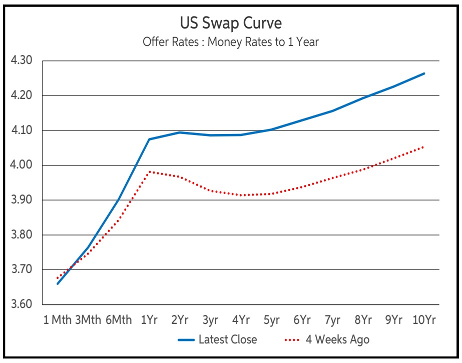
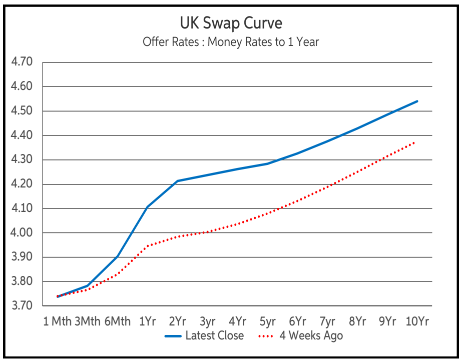
AIB

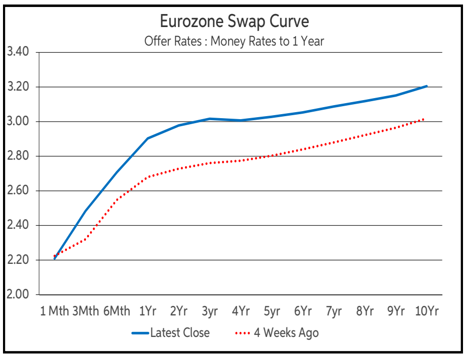
Euro		Sterling		Dollar	
EUR/GBP	0.8568	GBP/EUR	1.1667	USD/JPY	157.66
EUR/USD	1.1505	GBP/USD	1.3425	USD/CAD	1.4061
EUR/JPY	181.41	GBP/CAD	1.8876	USD/CHF	0.81
EUR/SEK	11.0029	GBP/NZD	2.2881	USD/CNY	6.7519
EUR/DKK	7.4753	GBP/JPY	211.66	USD/BRL	5.0897
EUR/NOK	10.9724	GBP/SEK	12.8361	USD/RUB	80.8
EUR/CHF	0.9321	GBP/DKK	8.7197	USD/INR	95.34
EUR/AUD	1.6397	GBP/NOK	12.8005		
EUR/HKD	9.0239	GBP/CHF	1.0875	AUD/USD	0.7015
EUR/CAD	1.6177	GBP/AUD	1.9131	NZD/USD	0.5864

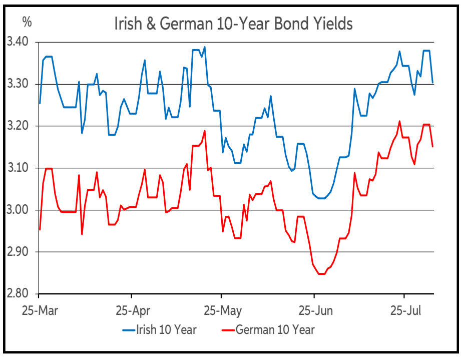












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.68	-6	+21	+53
Germany	3.15	-5	+21	+29
UK	4.96	-9	+16	+48
Ireland	3.30	-8	+17	+28
Belgium	3.68	-7	+17	+33
France	3.93	-7	+20	+37
Italy	3.94	-9	+21	+43
Spain	3.59	-7	+16	+30
Portugal	3.49	-6	+15	+33
Greece	3.82	-8	+21	+34
5 Year Swap %				
US	4.37	-6	+19	+64
Eurozone	3.02	-6	+24	+46
UK	4.52	-9	+20	+62
2 Year Swap %				
US	4.34	-5	+13	+76
Eurozone	2.97	-5	+25	+72
UK	4.43	-8	+21	+70
10 Year Government Bond Spreads to Benchmark bps				
Ireland	15	-2	-3	-1
Belgium	53	-2	-3	+4
France	78	-2	-1	+8
Italy	79	-4	+0	+14
Spain	44	-2	-5	+1
Portugal	34	-1	-6	+4
Greece	67	-3	+0	+5

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	83.77	-7.05	+16.36	+37.67
West Texas Oil	81.96	-4.87	+17.76	+43.14
Gold $	4052.7	+0.29	-2.67	-6.06

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