Morning Comment

AIB Treasury Economic Research Unit

Wednesday 05 August 2026
07:17 am

Markets retain optimistic mood

Investor sentiment retained a positive tone yesterday. The ‘risk-on’ mood was against the backdrop of reports of progress in talks to re-open the Strait of Hormuz as well as finding an overall resolution to the Middle East conflict. Optimism that a deal can be achieved was reflected in oil prices, which fell by around 5%. Brent crude eased back below the $80 per barrel mark. Corporate earnings news was also supportive of risk appetite. The upbeat tenor to risk appetite was evident in gains for the main equity indices on both sides of the Atlantic. In Europe, the Euro Stoxx 50 rose by 0.9%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 1.8% higher on the day, registering a new record high.

On the currency front, the majors were confined to relatively narrow ranges throughout yesterday. Of the limited moves to note over the past 24 hours, the dollar is modestly softer versus some of the other majors amid the ‘risk-on’ mood to market sentiment and fall in oil prices. In level terms, the EUR/USD pair has edged higher within the lower half of $1.15-1.16 territory. GBP/USD has moved up to the midpoint of the $1.34-1.35 corridor. Meanwhile, EUR/GBP has maintained its position in the upper half of the 85-86p band. Elsewhere, after last week’s joint Japan/US intervention and its aftermath, the yen has been less volatile. USD/JPY has tended to operate within a narrow range below the ¥158 threshold since yesterday’s open.

Looking ahead to today, developments in relation to the Middle East conflict will remain a potential source of direction for markets. Data-wise, the main macro releases of note are from the US diary. We get the non-manufacturing ISM survey for July. The US schedule also features the ADP employment report for July, which although is not a reliable guide, will nonetheless be assessed ahead of Friday’s official payroll number.

John Fahey, Senior Economist, AIB

Today's Opening FX Rates

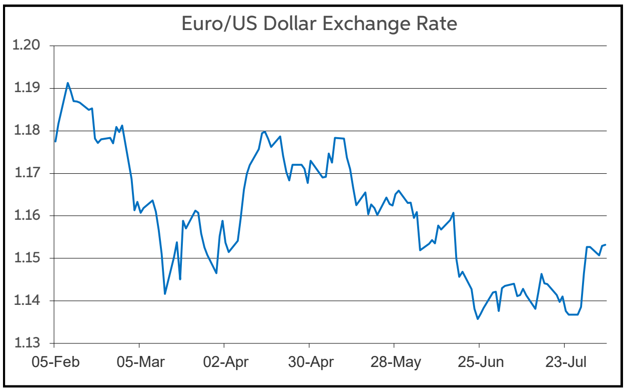
		% Change	
		Day *	End 2025
EUR/USD	1.1532	0.21	-1.81
EUR/GBP	0.8571	0.00	-1.65
GBP/USD	1.3452	0.19	-0.16
GBP/EUR	1.1663	0.00	1.68
USD/JPY	157.72	0.11	0.68
EUR/JPY	181.92	0.32	-1.13

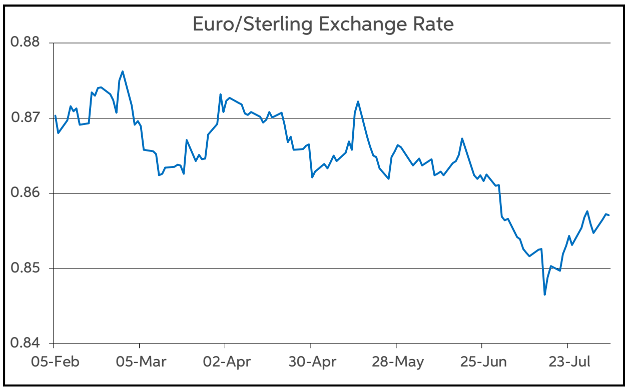
* v Previous Day's European Open

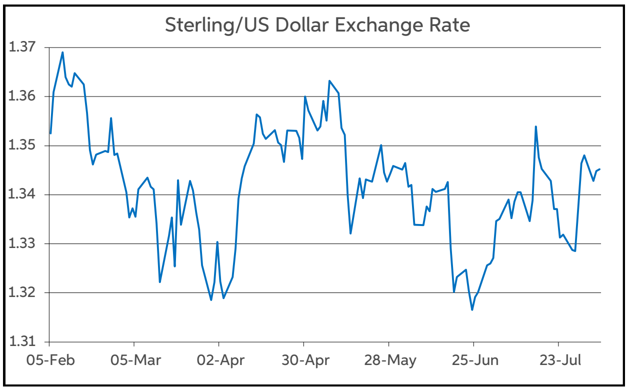
See Next Page for More Rates

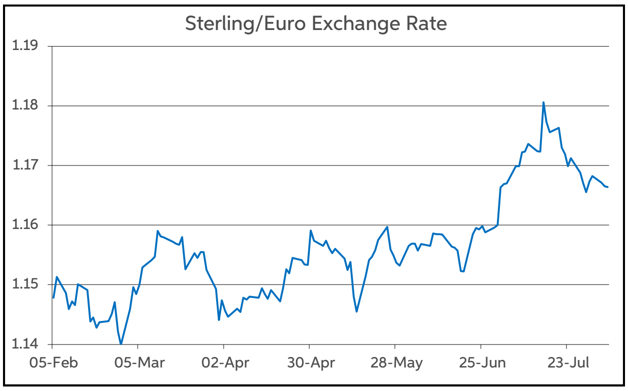
Opening Interest Rates

		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	3.63	3.64	3.74	4.02	4.33	4.32
EUR	2.25	2.24	2.46	2.86	2.94	2.97
GBP	3.75	3.73	3.76	4.04	4.36	4.46









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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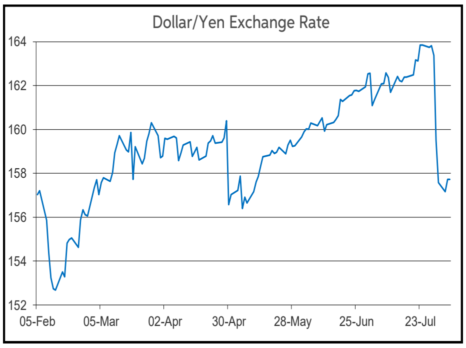
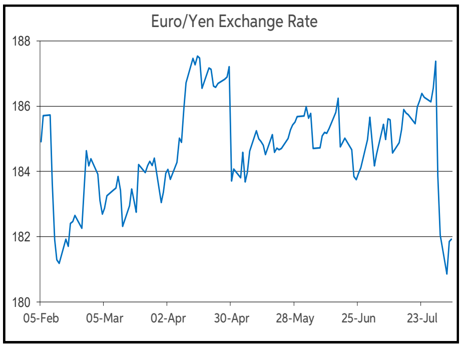
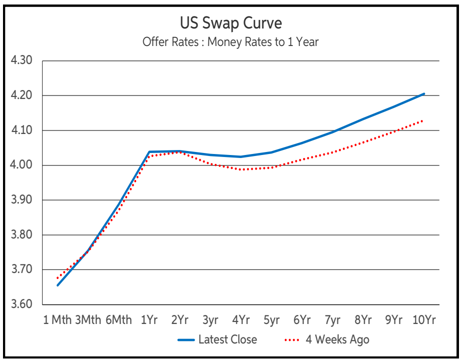
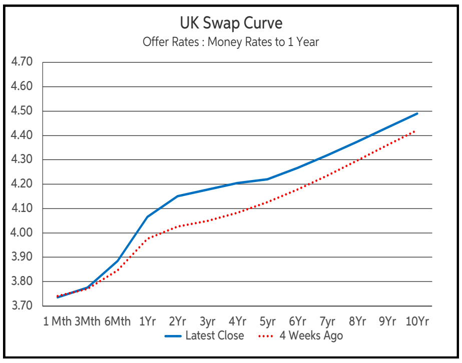
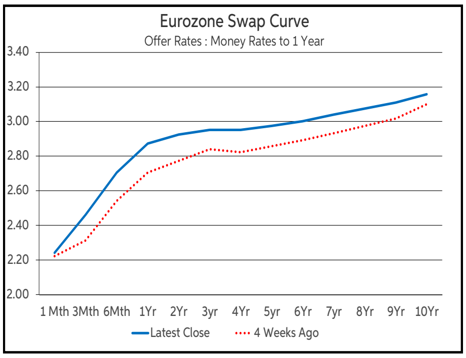
Euro		Sterling		Dollar	
EUR/GBP	0.8571	GBP/EUR	1.1663	USD/JPY	157.72
EUR/USD	1.1532	GBP/USD	1.3452	USD/CAD	1.4076
EUR/JPY	181.92	GBP/CAD	1.8933	USD/CHF	0.8084
EUR/SEK	10.9732	GBP/NZD	2.2911	USD/CNY	6.7481
EUR/DKK	7.4748	GBP/JPY	212.16	USD/BRL	5.1274
EUR/NOK	11.0002	GBP/SEK	12.7975	USD/RUB	80.85
EUR/CHF	0.9324	GBP/DKK	8.7164	USD/INR	95.1125
EUR/AUD	1.6366	GBP/NOK	12.821		
EUR/HKD	9.0452	GBP/CHF	1.0874	AUD/USD	0.7045
EUR/CAD	1.6232	GBP/AUD	1.9089	NZD/USD	0.5869

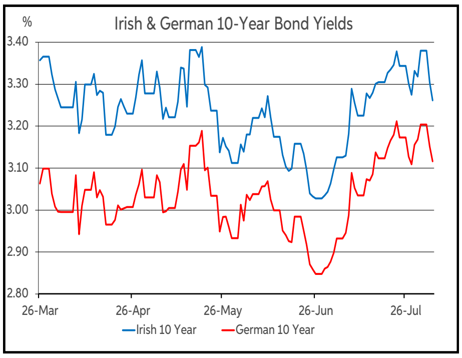












Debt Markets

		Change bps		
	Close	Day	4 Weeks	End 25
10 Year Yield %				
US	4.63	-6	+10	+47
Germany	3.12	-4	+13	+25
UK	4.90	-6	+4	+42
Ireland	3.26	-4	+8	+23
Belgium	3.63	-5	+7	+28
France	3.88	-5	+9	+32
Italy	3.87	-7	+8	+36
Spain	3.54	-5	+6	+25
Portugal	3.46	-3	+9	+30
Greece	3.78	-4	+12	+30
5 Year Swap %				
US	4.31	-6	+5	+58
Eurozone	2.97	-5	+13	+41
UK	4.46	-6	+8	+56
2 Year Swap %				
US	4.32	-3	+3	+74
Eurozone	2.92	-5	+15	+66
UK	4.36	-6	+10	+63
10 Year Government Bond Spreads to Benchmark bps				
Ireland	15	-1	-5	-2
Belgium	51	-2	-6	+3
France	77	-1	-3	+7
Italy	75	-4	-5	+10
Spain	42	-1	-6	-1
Portugal	35	+1	-4	+5
Greece	66	-1	-1	+4

Commodities

		% Change		
	Close	Day	4 Weeks	End 25
Brent Oil	79.36	-5.26	+7.01	+30.42
West Texas Oil	77.33	-5.65	+8.11	+35.05
Gold $	4076.0	+0.58	-0.72	-5.52

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