

Weak US payrolls cast doubt on Fed September hike

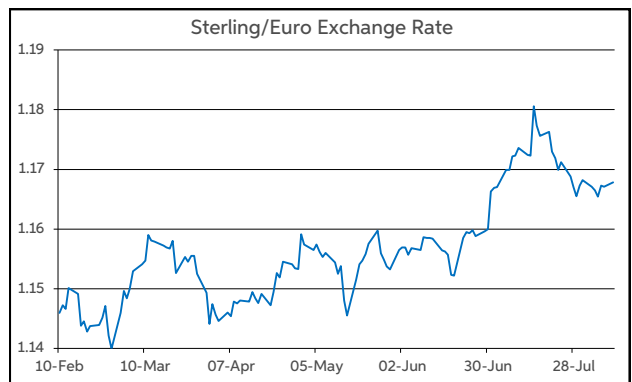
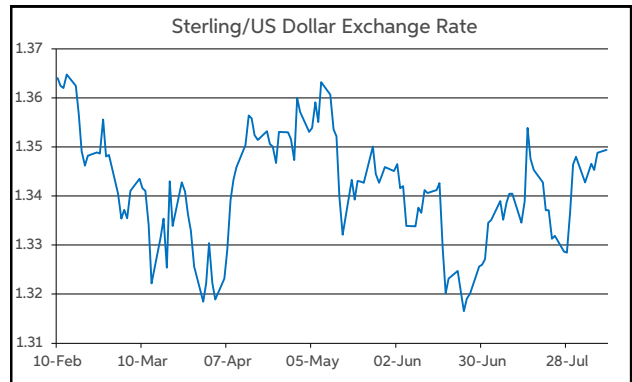
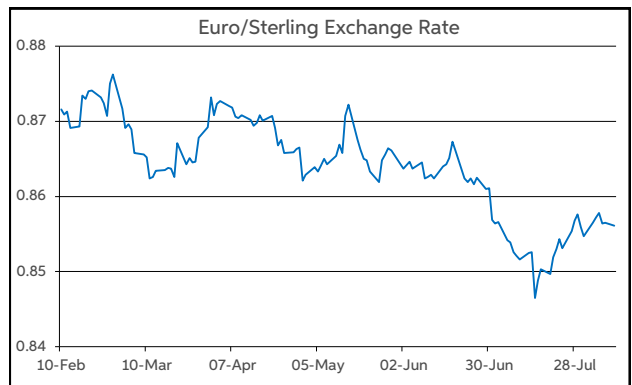
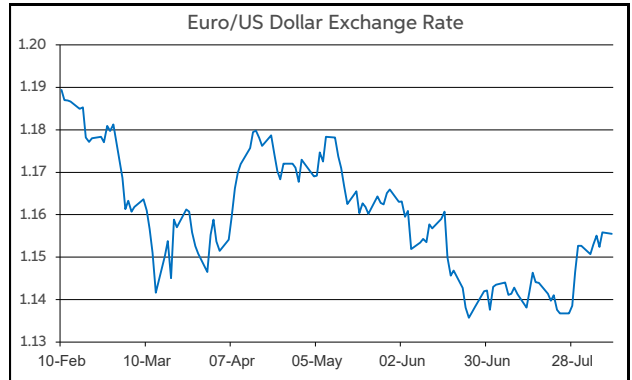
There was a positive tone to market sentiment last week, underpinned initially on optimism that progress was being made in resolving the Middle East conflict, including the potential re-opening of the Strait of Hormuz. Although, uncertainty over whether a deal could be achieved meant there was still some volatility to proceedings. Overall, by the close on Wall Street on Friday night, the S&P 500 was 3.6% higher over the period.

Data-wise, the focus last week was on the US diary with a raft of labour market data published on Friday, including the always closely followed non-farm payrolls number for July. The weaker than forecast jobs data lead to a softening in Fed rate hike expectations. The market adjusted to attach around a 45% probability to a hike in September (was c. 65% before the data).

From a currency perspective, the main pairs operated within relatively narrow ranges for much of last week. However, Friday's aforementioned weak payroll data acted as a headwind to the dollar heading into the weekend. EUR/USD moved back above the midpoint of \$1.15-1.16, trading to a high of \$1.158. GBP/USD pushed up towards the \$1.35 handle. Elsewhere, USD/JPY traded back above the ¥158 threshold as some of the impact of the intervention to boost the yen started to fade. Meanwhile, EUR/GBP operated in a very narrow 85.5-85.8p corridor last week.

Looking ahead to this week, there are some key data releases on both sides of the Atlantic. From a sterling perspective, the schedule features Q2 GDP (Thur). For the dollar, CPI inflation for July (Wed) and retail sales (Fri) are key highlights. Meantime, from a euro viewpoint, the calendar is less eventful, Q2 employment data and the second reading of Q2 GDP (both Fri) are the main releases of note. Middle East related developments, if any, will also be in focus.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1555	0.28	-1.62
EUR/GBP	0.8561	-0.02	-1.77
GBP/USD	1.3494	0.31	0.16
GBP/EUR	1.1677	0.02	1.80
USD/JPY	158.41	0.03	1.12
EUR/JPY	183.05	0.30	-0.51

* 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	3.63	3.73	4.01	4.33	4.36
EUR	2.25	2.20	2.47	2.87	2.97	3.02
GBP	3.75	3.74	3.77	4.07	4.41	4.50

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Monday 10 August 2026
07:20 am



Euro

EUR/GBP	0.8561
EUR/USD	1.1555
EUR/JPY	183.05
EUR/SEK	10.959
EUR/DKK	7.4753
EUR/NOK	10.9812
EUR/CHF	0.9346
EUR/AUD	1.6348
EUR/HKD	9.0656
EUR/CAD	1.6123

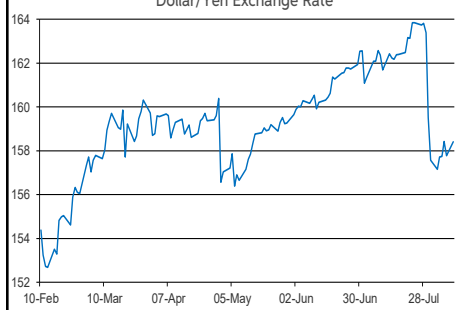
Sterling

GBP/EUR	1.1677
GBP/USD	1.3494
GBP/CAD	1.8829
GBP/NZD	2.2905
GBP/JPY	213.76
GBP/SEK	12.7967
GBP/DKK	8.7306
GBP/NOK	12.8241
GBP/CHF	1.0915
GBP/AUD	1.9089

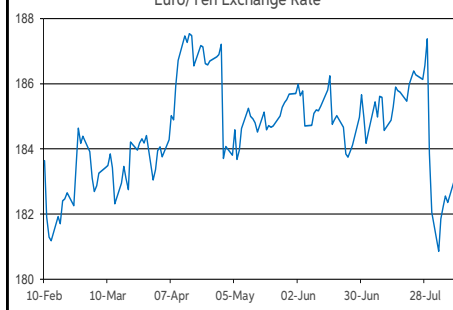
Dollar

USD/JPY	158.41
USD/CAD	1.3954
USD/CHF	0.8089
USD/CNY	6.7443
USD/BRL	5.0842
USD/RUB	82.8
USD/INR	95.25
AUD/USD	0.7067
NZD/USD	0.5888

Dollar/Yen Exchange Rate

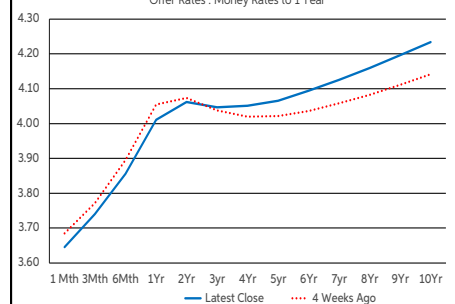


Euro/Yen Exchange Rate



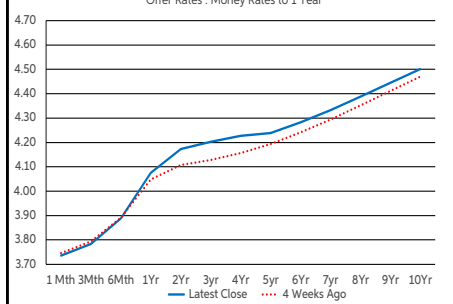
US Swap Curve

Offer Rates : Money Rates to 1 Year



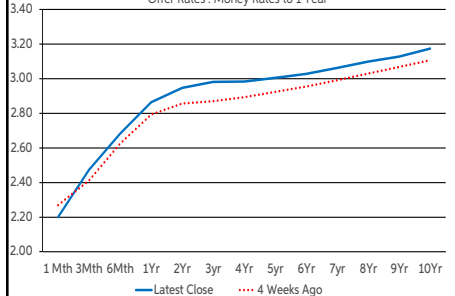
UK Swap Curve

Offer Rates : Money Rates to 1 Year

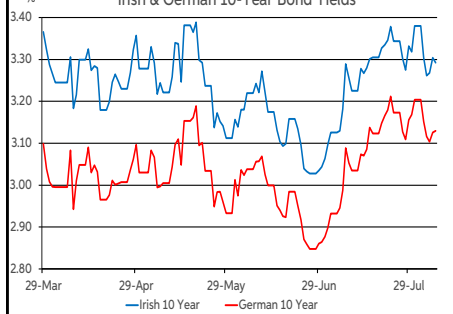


Eurozone Swap Curve

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	4.66	-1	+9	+51
Germany	3.13	+0	+9	+27
UK	4.92	-2	+5	+45
Ireland	3.29	-1	+7	+26
Belgium	3.65	-2	+6	+31
France	3.91	-1	+9	+35
Italy	3.91	-1	+10	+40
Spain	3.56	-1	+5	+27
Portugal	3.47	-1	+6	+31
Greece	3.78	+1	+7	+30
5 Year Swap %				
US	4.33	-5	+5	+60
Eurozone	2.99	-3	+8	+43
UK	4.48	-3	+5	+59
2 Year Swap %				
US	4.29	-7	-3	+72
Eurozone	2.94	-3	+9	+69
UK	4.39	-4	+5	+66
10 Year Government Bond Spreads to Benchmark bps				
Ireland	16	-2	-3	-0
Belgium	52	-2	-3	+4
France	78	-1	-1	+9
Italy	78	-1	+1	+13
Spain	43	-1	-5	+0
Portugal	34	-1	-3	+5
Greece	65	+0	-3	+4

Commodities

	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	83.55	+1.29	+9.92	+37.30
West Texas Oil	79.77	+1.13	+10.10	+39.31
Gold \$	4341.7	+2.42	+5.38	+0.64

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