Morning Comment

AIB Treasury Economic Research Unit

Tuesday 11 August 2026
07:18 am

Yen intervention boost continues to fade

There was a cautious tone to investor sentiment on Monday. The talks to re-open the Strait of Hormuz have generated plenty of headlines but no concrete progress. Indeed, the 'Middle East' newsflow yesterday suggested a near term resolution to the conflict was unlikely. This was evident in the move higher in oil prices. Brent crude rose by 5% to trade near to $88 per barrel.

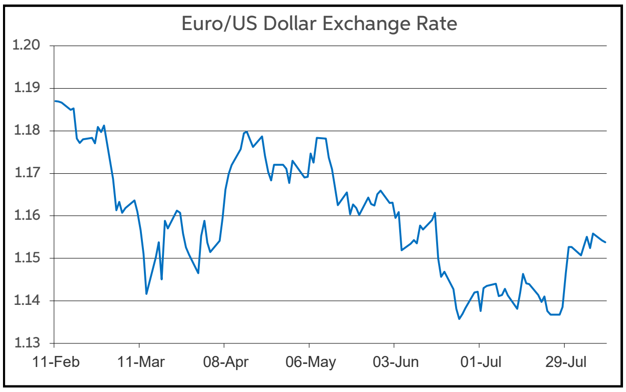
Meanwhile, on equity markets, the main indices tended to trade in a side-ways pattern amid the uncertainty in relation to the US-Iran war as well as a sparse macro data calendar. In Europe, the Euro Stoxx 50 rose by a modest 0.2%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 index was flat on the day.

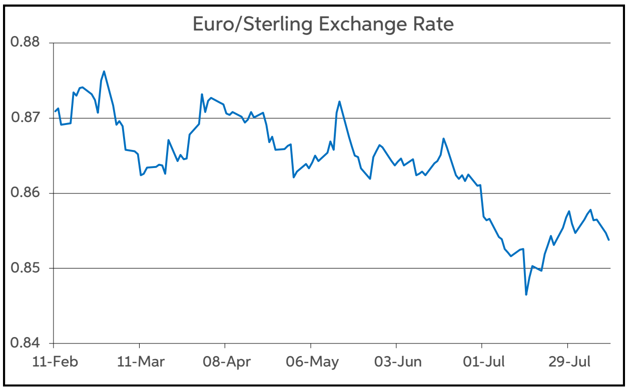
On the currency front, amongst the majors, the Japanese yen was in the spotlight yesterday. The initial boost to the currency from the joint JP/US intervention in late July continued to fade. This was reflected in USD/JPY moving back above the ¥159 threshold. The pair had started the month of August nearer to the ¥156 mark.

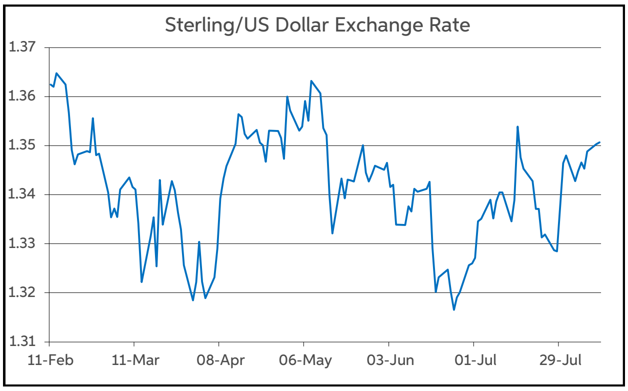
The other main FX pairs were confined to relatively narrow ranges yesterday. This has persisted in overnight trading. Of the limited action to register, the euro is marginally softer versus the dollar and sterling over the past 24 hours. EUR/USD has edged back from the midpoint of the $1.15-1.16 band, while EUR/GBP is trading in the lower half of 85-86p. Meantime, GBP/USD continues to straddle the $1.35 handle.

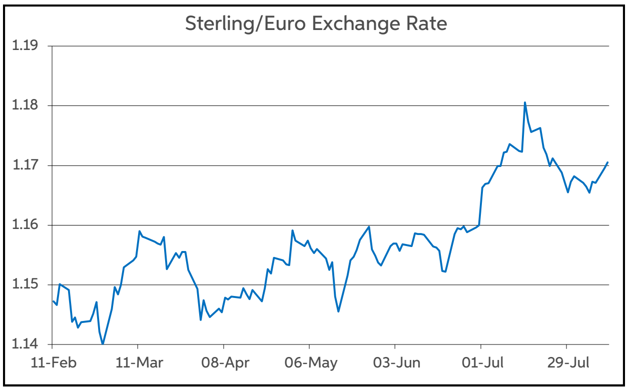
Today's macro diary remains largely uneventful. The main data highlights are US small business optimism and existing home sales (both July). However, neither of these releases would be expected to be a dial mover from a dollar viewpoint. Market participants will maintain a close eye on the Middle East for any developments.

John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1538	-0.11	-1.76
EUR/GBP	0.8538	-0.28	-2.03
GBP/USD	1.3507	0.15	0.25
GBP/EUR	1.1705	0.28	2.07
USD/JPY	159.2	0.56	1.63
EUR/JPY	183.72	0.44	-0.15

* 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	4.04	4.38	4.41
EUR	2.25	2.20	2.47	2.88	3.02	3.07
GBP	3.75	3.72	3.78	4.12	4.49	4.59

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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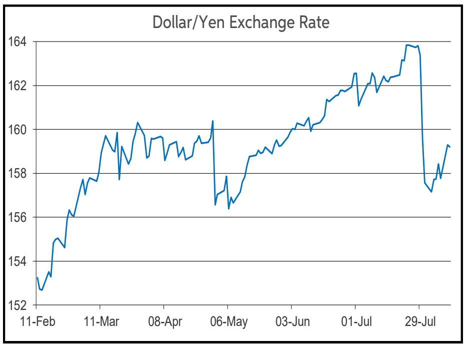
07:19 am

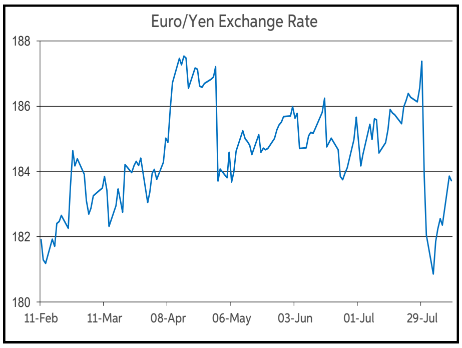
AIB

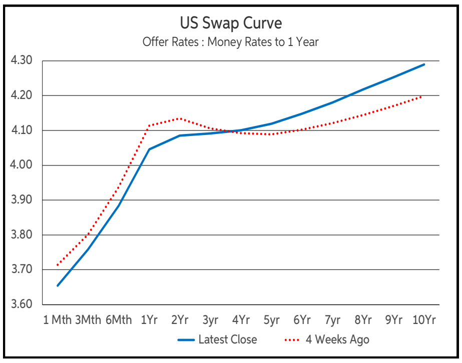
Euro	
EUR/GBP	0.8538
EUR/USD	1.1538
EUR/JPY	183.72
EUR/SEK	10.9568
EUR/DKK	7.4756
EUR/NOK	10.9484
EUR/CHF	0.9353
EUR/AUD	1.6353
EUR/HKD	9.051
EUR/CAD	1.6071

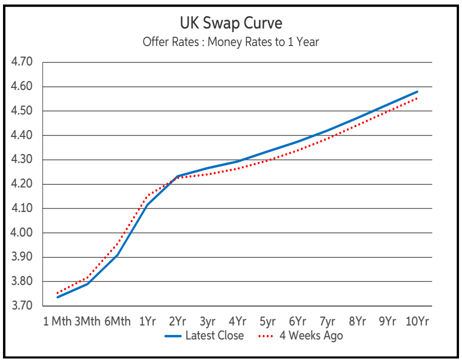
Sterling	
GBP/EUR	1.1705
GBP/USD	1.3507
GBP/CAD	1.8816
GBP/NZD	2.2947
GBP/JPY	215.03
GBP/SEK	12.8282
GBP/DKK	8.7524
GBP/NOK	12.8197
GBP/CHF	1.095
GBP/AUD	1.9145

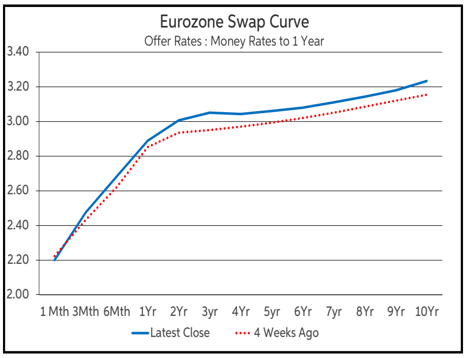
Dollar	
USD/JPY	159.2
USD/CAD	1.393
USD/CHF	0.8106
USD/CNY	6.7449
USD/BRL	5.1068
USD/RUB	82.4
USD/INR	95.4125
AUD/USD	0.7054
NZD/USD	0.5884

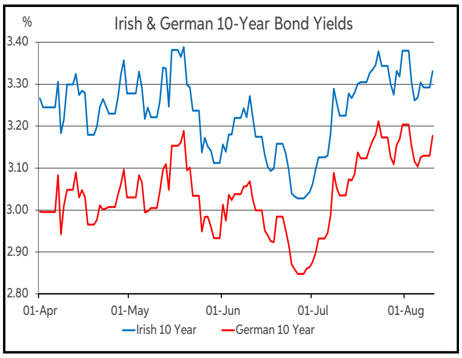












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.70	+4	+9	+55
Germany	3.18	+5	+10	+31
UK	4.99	+6	+1	+51
Ireland	3.33	+4	+5	+30
Belgium	3.72	+7	+8	+37
France	3.99	+7	+10	+42
Italy	3.97	+6	+9	+46
Spain	3.63	+6	+6	+33
Portugal	3.52	+4	+6	+36
Greece	3.82	+4	+8	+34
5 Year Swap %				
US	4.39	+6	+4	+66
Eurozone	3.06	+5	+7	+49
UK	4.57	+8	+1	+67
2 Year Swap %				
US	4.34	+4	-4	+76
Eurozone	3.00	+6	+7	+74
UK	4.47	+7	-2	+74
10 Year Government Bond Spreads to Benchmark bps				
Ireland	15	-1	-5	-1
Belgium	54	+2	-3	+6
France	81	+2	-0	+11
Italy	79	+2	-2	+14
Spain	45	+2	-5	+2
Portugal	34	-0	-4	+4
Greece	65	-1	-2	+3

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	87.72	+4.99	+5.31	+44.16
West Texas Oil	83.76	+5.00	+5.76	+46.28
Gold $	4388.5	+1.08	+9.69	+1.72

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