

Middle East conflict remains a cloud on market horizon

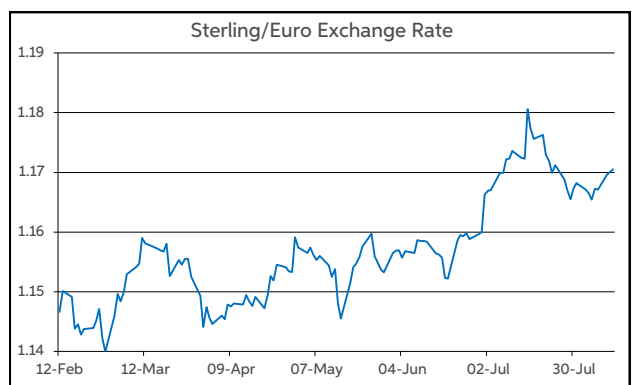
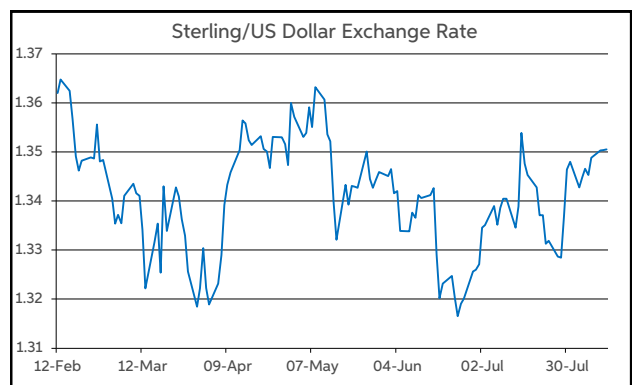
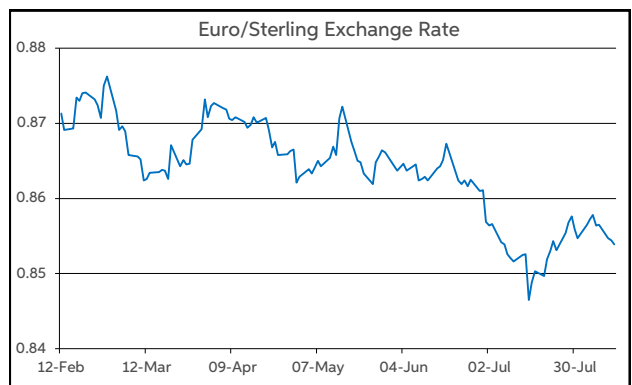
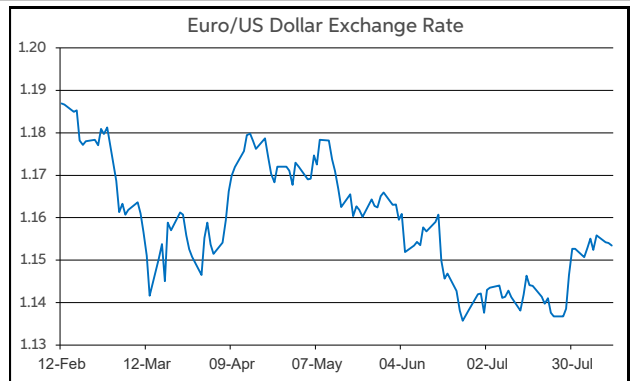
The Middle East conflict continued to be a key theme for markets to ponder yesterday. Oil prices remained volatile amid uncertainty over any near term breakthrough in talks as well as renewed tensions in the Strait of Hormuz. Brent crude experienced some further upward pressure, trading up to a high at \$90 per barrel. Against this geopolitical backdrop, investor sentiment was holding a cautious tone. At the closing bell on Wall Street last night, the S&P 500 index was 0.3% lower on the day.

Yesterday's macro data calendar was US centric but lacking in top tier releases. The two publications of any note painted a mixed picture of the US economy in July. The NFIB measure of small business optimism rose by more than expected, increasing to 99.8 (vs. f'cast for 97.5), its highest level since August 2025. On the other hand, existing homes sales for July printed below expectations, falling by 1.7% m/m as higher mortgage rates weighed on transaction levels. However, as anticipated, neither release generated any impact from a dollar perspective.

Indeed, the main FX pairs have been confined to narrow ranges over the past 24 hours. This is evident in the majors trading this morning at levels very similar to yesterday's open. The EUR/USD pair remains below the midpoint of \$1.15-1.16, GBP/USD continues to straddle \$1.35 and EUR/GBP has maintained its position in the lower end of the 85-86p trading band. Elsewhere, the yen has stabilised, for now, after coming under some selling pressure in recent days. USD/JPY continues to change hands above ¥159.

Ahead today, the Middle East will remain in focus. Data-wise, US CPI inflation data for July is a key release in the context of potential Fed rate hikes. Therefore, the release poses some event risk for the dollar.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1534	-0.07	-1.80
EUR/GBP	0.8539	-0.02	-2.02
GBP/USD	1.3505	-0.04	0.24
GBP/EUR	1.1707	0.02	2.06
USD/JPY	159.37	0.13	1.74
EUR/JPY	183.85	0.06	-0.08

* 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	3.64	3.75	4.02	4.35	4.38
EUR	2.25	2.18	2.48	2.88	2.99	3.04
GBP	3.75	3.73	3.78	4.10	4.44	4.55

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

Wednesday 12 August 2026
07:17 am



Euro

EUR/GBP	0.8539
EUR/USD	1.1534
EUR/JPY	183.85
EUR/SEK	10.9916
EUR/DKK	7.4757
EUR/NOK	10.952
EUR/CHF	0.9366
EUR/AUD	1.6339
EUR/HKD	9.0504
EUR/CAD	1.6062

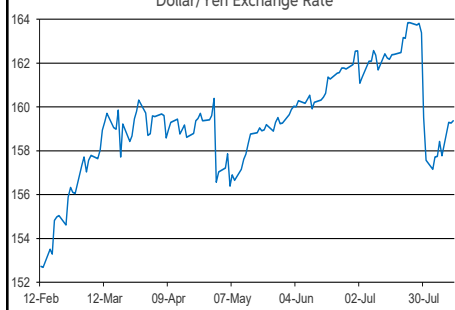
Sterling

GBP/EUR	1.1707
GBP/USD	1.3505
GBP/CAD	1.8806
GBP/NZD	2.301
GBP/JPY	215.23
GBP/SEK	12.8663
GBP/DKK	8.7502
GBP/NOK	12.815
GBP/CHF	1.0964
GBP/AUD	1.9129

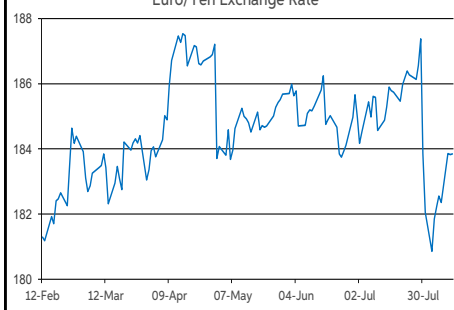
Dollar

USD/JPY	159.37
USD/CAD	1.3927
USD/CHF	0.8119
USD/CNY	6.7461
USD/BRL	5.1576
USD/RUB	82.8
USD/INR	95.42
AUD/USD	0.7057
NZD/USD	0.5866

Dollar/Yen Exchange Rate

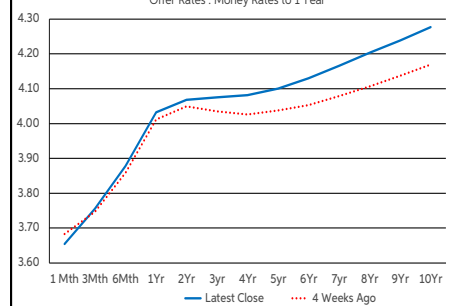


Euro/Yen Exchange Rate



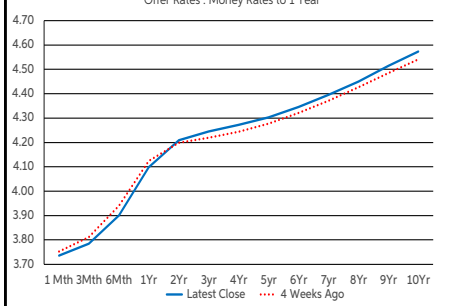
US Swap Curve

Offer Rates : Money Rates to 1 Year



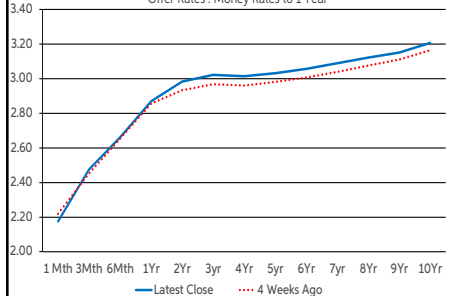
UK Swap Curve

Offer Rates : Money Rates to 1 Year

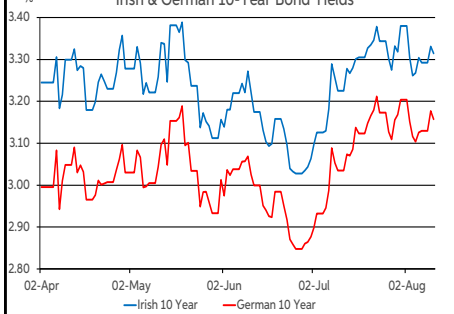


Eurozone Swap Curve

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	4.68	-1	+10	+53
Germany	3.16	-2	+9	+29
UK	4.97	-2	-2	+49
Ireland	3.31	-2	+5	+29
Belgium	3.71	-1	+8	+37
France	3.98	-1	+10	+42
Italy	3.97	-0	+9	+46
Spain	3.61	-2	+4	+32
Portugal	3.51	-0	+6	+35
Greece	3.82	+0	+4	+35
5 Year Swap %				
US	4.35	-4	+6	+63
Eurozone	3.03	-3	+6	+47
UK	4.54	-3	+0	+64
2 Year Swap %				
US	4.32	-2	+2	+75
Eurozone	2.98	-2	+5	+72
UK	4.44	-3	-3	+71
10 Year Government Bond Spreads to Benchmark bps				
Ireland	16	+0	-4	-1
Belgium	56	+1	-1	+7
France	82	+1	+1	+12
Italy	81	+2	+0	+16
Spain	45	+0	-5	+2
Portugal	35	+1	-3	+6
Greece	67	+2	-5	+5

Commodities

	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	88.91	+1.36	+4.93	+46.11
West Texas Oil	84.77	+1.21	+5.38	+48.04
Gold \$	4366.8	-0.49	+7.72	+1.22

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