Morning Comment

AIB Treasury Economic Research Unit

Monday 13 July 2026
07:18 am

Geopolitics and key data releases ahead this week

Tensions in the Middle East were back in the headlines last week, with the renewed break-out of military strikes between the US and Iran. It provided an unhelpful backdrop to risk appetite. Overall though, the general market reaction was somewhat muted given the military action and 'escalatory' rhetoric from both sides involved in the conflict. This may reflect investors taking the view that in the end it is in both sides interest to find a solution to end the war. Oil prices initially jumped higher, with Brent crude rising from $71-72 per barrel at the start of the week to a $78-80 p/b range mid-week. They eased back to trade nearer to $76 p/b heading into the weekend. However, oil opens this morning back up at $79 p/b following further military strikes over the weekend. Despite the geopolitical newsflow and some volatility in tech/AI stocks last week, the S&P 500 still managed to post a weekly gain of 1.2% at the closing bell on Friday night.

From a currency market perspective, the action last week was confined to relatively narrow ranges. Of the moves to register amongst the majors, sterling was holding a modestly firmer tone. The gains for sterling were reflected in EUR/GBP falling to a new YTD low at 85.1p and GBP/USD spending some time up in $1.34 territory. In overnight trading, the dollar has made some gains. This sees GBP/USD start this morning's European session back below $1.34, while EUR/USD is struggling to hold onto the $1.14 level, having been above this threshold for much of last week. Elsewhere on the currency front, USD/JPY is back above the ¥162 mark.

Ahead this week, 'Middle East' developments will continue to dominate the headlines. However, there are also some important data releases due. In the UK, we get GDP data for May. Meanwhile, the US diary is busy. It features CPI inflation, retail sales and Industrial production (all June). Fed Chair Warsh's semi-annual Congressional testimony will also warrant attention. The Eurozone schedule is quieter, with industrial production (May) the main release of note.
John Fahey, Senior Economist, AIB

Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1398	-0.38	-2.95
EUR/GBP	0.8516	-0.02	-2.28
GBP/USD	1.338	-0.36	-0.69
GBP/EUR	1.1737	0.02	2.34
USD/JPY	162.3	0.43	3.61
EUR/JPY	184.99	0.02	0.54

* v Previous Day's European Open

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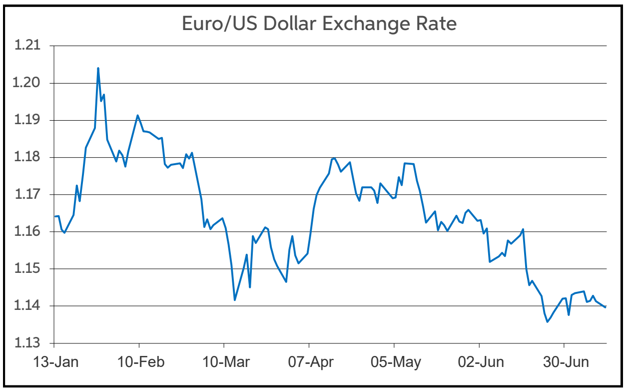
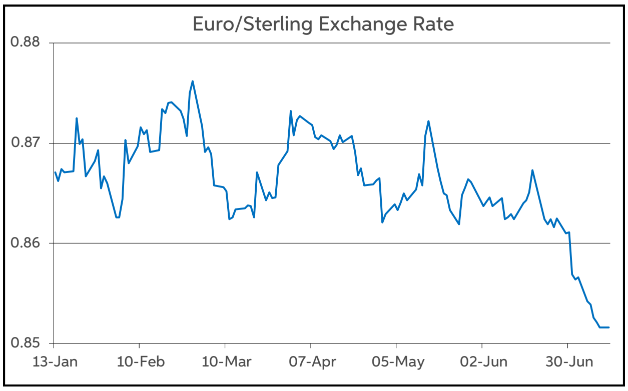
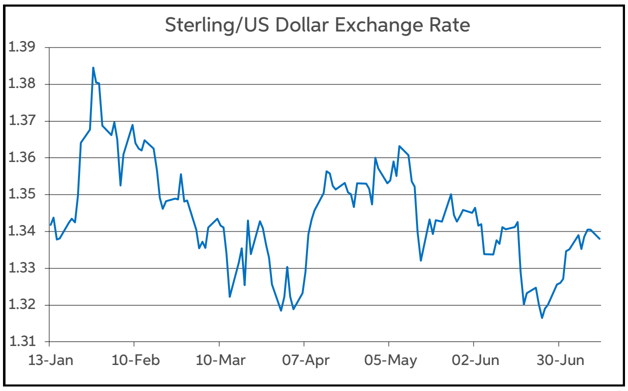
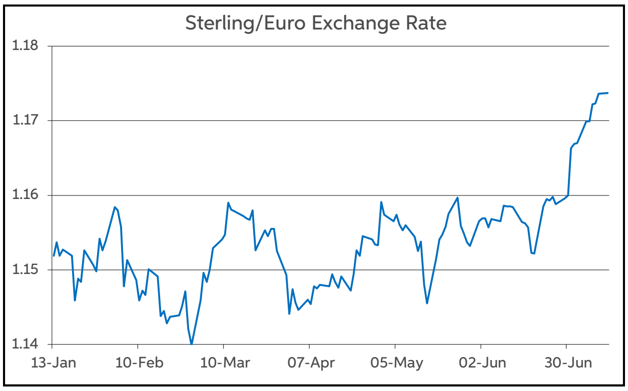
Opening Interest Rates

		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	3.63	3.68	3.77	4.06	4.37	4.32
EUR	2.25	2.27	2.41	2.80	2.89	2.95
GBP	3.75	3.74	3.78	4.04	4.41	4.49









All rates quoted are indicative market rates

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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

All Data Sourced from Refinitiv

Opening Levels

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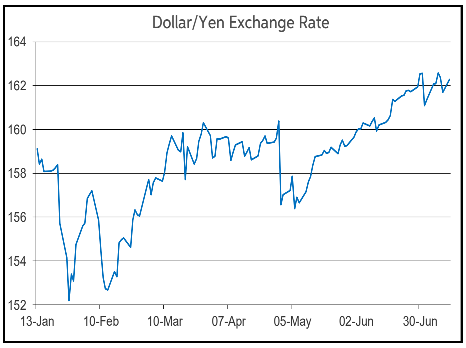
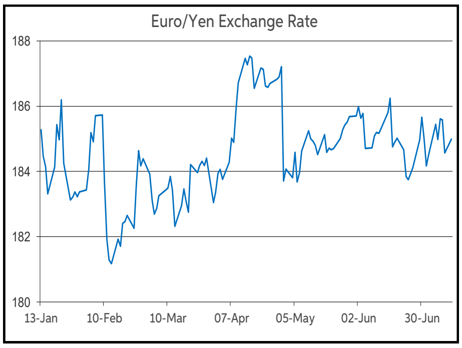
AIB

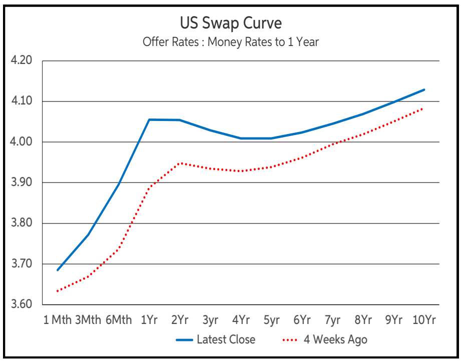
Euro	
EUR/GBP	0.8516
EUR/USD	1.1398
EUR/JPY	184.99
EUR/SEK	11.0595
EUR/DKK	7.4747
EUR/NOK	11.1565
EUR/CHF	0.9232
EUR/AUD	1.6451
EUR/HKD	8.9344
EUR/CAD	1.6139

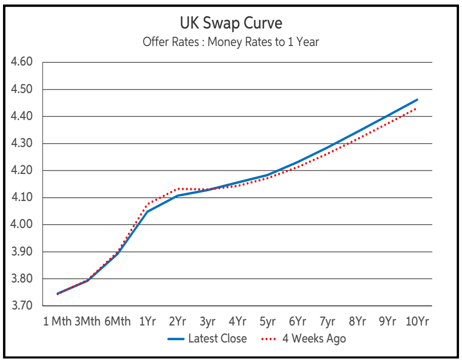
Sterling	
GBP/EUR	1.1737
GBP/USD	1.338
GBP/CAD	1.8943
GBP/NZD	2.3247
GBP/JPY	217.16
GBP/SEK	12.9793
GBP/DKK	8.7732
GBP/NOK	13.0954
GBP/CHF	1.0838
GBP/AUD	1.9313

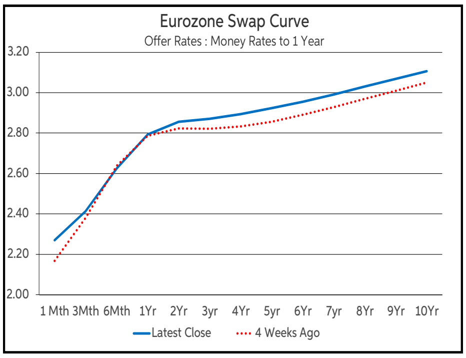
Dollar	
USD/JPY	162.3
USD/CAD	1.4159
USD/CHF	0.81
USD/CNY	6.7859
USD/BRL	5.1075
USD/RUB	77
USD/INR	95.79
AUD/USD	0.6926
NZD/USD	0.5754

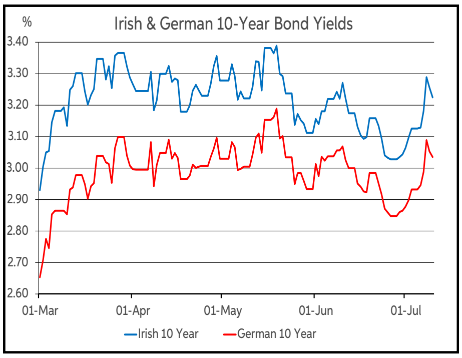












Debt Markets

	Close	Change bps Day	Change bps 4 Weeks	Change bps End 25
10 Year Yield %				
US	4.57	+3	+8	+42
Germany	3.03	-2	+4	+17
UK	4.88	-2	+4	+40
Ireland	3.22	-3	+5	+20
Belgium	3.59	-3	+5	+24
France	3.83	-3	+19	+27
Italy	3.80	-5	+7	+29
Spain	3.51	-3	+9	+22
Portugal	3.41	-2	+3	+25
Greece	3.72	-3	+3	+24
5 Year Swap %				
US	4.27	+2	+8	+55
Eurozone	2.89	+0	+4	+33
UK	4.43	-1	+4	+53
2 Year Swap %				
US	4.31	+2	+12	+73
Eurozone	2.83	+1	+1	+57
UK	4.34	-1	-1	+60
10 Year Government Bond Spreads to Benchmark bps				
Ireland	19	-1	+1	+2
Belgium	56	-1	+1	+7
France	79	-1	+16	+10
Italy	77	-3	+4	+12
Spain	48	-1	+5	+5
Portugal	38	-1	-1	+8
Greece	68	-1	-1	+7

Commodities

	Close	% Change Day	% Change 4 Weeks	% Change End 25
Brent Oil	76.01	-0.38	-12.96	+24.91
West Texas Oil	72.45	-0.96	-18.25	+26.53
Gold $	4120.1	-0.02	-2.34	-4.50

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