Morning Comment

AIB Treasury Economic Research Unit

Thursday 16 July 2026
07:21 am

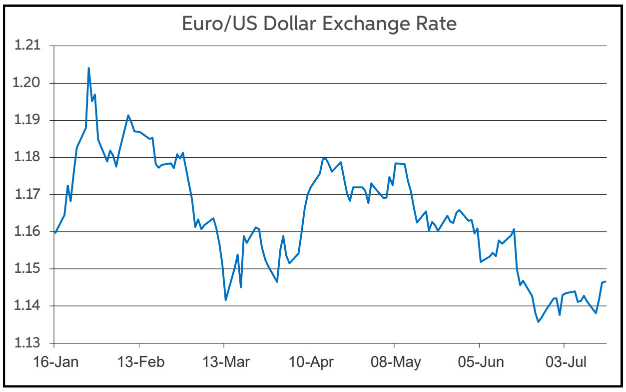
Sterling performance

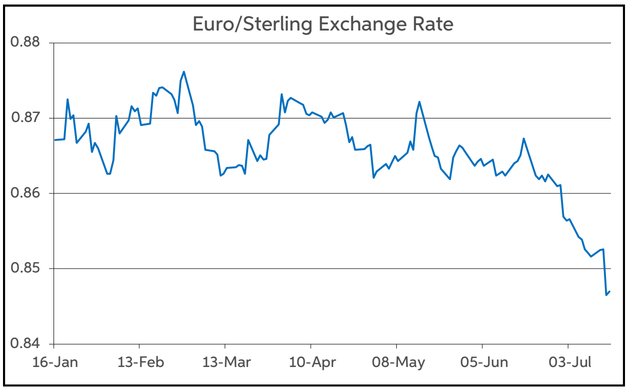
The action across financial markets was somewhat subdued yesterday. This was despite the Middle East conflict showing no signs of de-escalating, with military strikes continuing. Oil prices were relatively contained, with Brent crude trading in a $84-86 per barrel range. Meanwhile, investor sentiment adopted a generally cautious tone for much of the day.

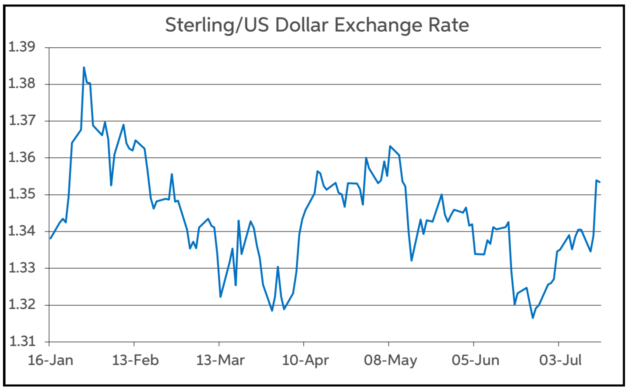
From a data perspective, the calendar was quiet. The main Eurozone release of note was industrial production for May. It missed to the downside of expectations falling by 0.2% in the month (vs. a forecast for +0.2%), mainly due to a 5.2% fall in the volatile Irish production number. Meanwhile, in the US the main highlight was PPI inflation numbers for June. Similar to Tuesday's CPI update, the PPI data also printed below expectations, with the headline rate coming in at 5.5% y/y (f'cast for 6.2%). Overall, the report indicated some easing in production price pressures, but the rate still remains elevated.

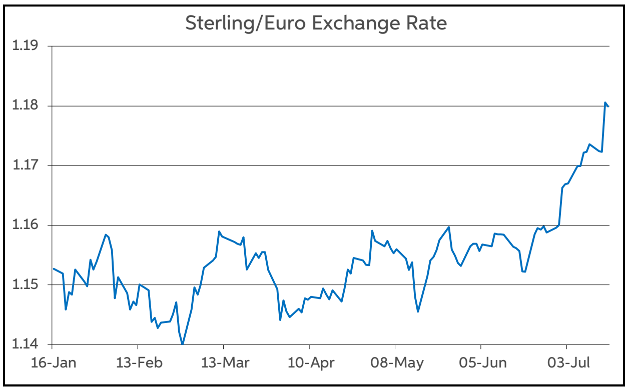
On the currency front, while England's World Cup momentum came to a halt, sterling continued to grind out results against some of the other majors. EUR/GBP fell below the 85p threshold, for the first time since mid-2025, registering a new YTD low of 84.5p in the process. At the same time, GBP/USD moved up into $1.35 territory. Sterling has been steadily edging higher over the last few weeks. This may in part reflect some reversal of extreme short positioning in the currency, prompted in part by reduced UK political and fiscal policy uncertainty. Elsewhere, EUR/USD continued to trade in and around the midpoint of $1.14-1.15.

Today's macro diary has already seen the release of UK GDP for May. It matched expectations for a 0.1% monthly increase. Later today, we get an important update on the consumer side of the US economy, with retail sales figures (June) due. Market participants will also continue to keep a close eye on 'Middle East' related developments.
John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1466	0.26	-2.38
EUR/GBP	0.8471	-0.73	-2.80
GBP/USD	1.3534	0.99	0.45
GBP/EUR	1.1802	0.73	2.88
USD/JPY	162.14	-0.04	3.50
EUR/JPY	185.96	0.25	1.07

* 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	3.67	3.73	3.98	4.28	4.27
EUR	2.25	2.22	2.45	2.87	2.95	2.99
GBP	3.75	3.74	3.80	4.12	4.44	4.52

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

All Data Sourced from Refinitiv

Opening Levels

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AIB

Euro

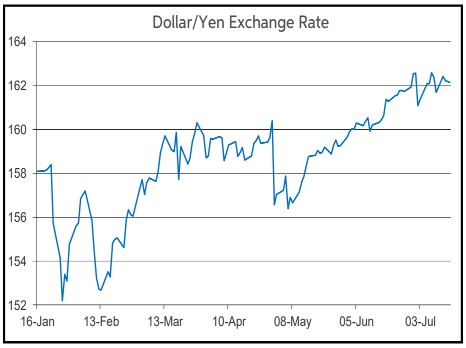
EUR/GBP	0.8471
EUR/USD	1.1466
EUR/JPY	185.96
EUR/SEK	10.997
EUR/DKK	7.4752
EUR/NOK	11.0744
EUR/CHF	0.9243
EUR/AUD	1.639
EUR/HKD	8.9874
EUR/CAD	1.6104

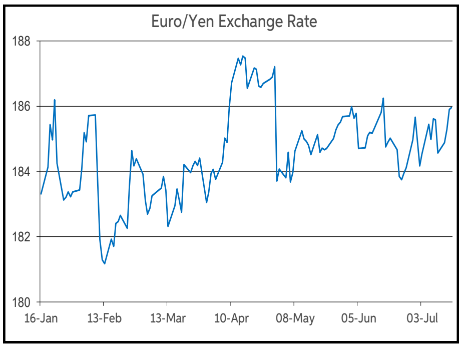
Sterling

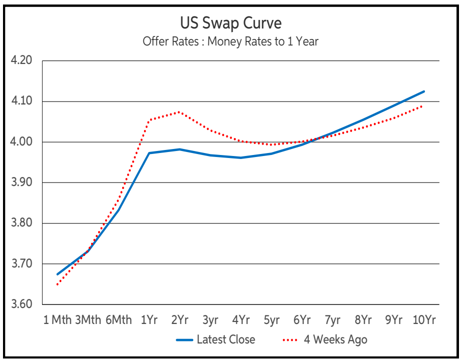
GBP/EUR	1.1802
GBP/USD	1.3534
GBP/CAD	1.9007
GBP/NZD	2.3116
GBP/JPY	219.44
GBP/SEK	12.9788
GBP/DKK	8.8226
GBP/NOK	13.063
GBP/CHF	1.0906
GBP/AUD	1.934

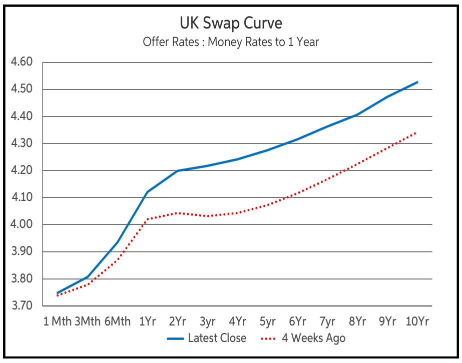
Dollar

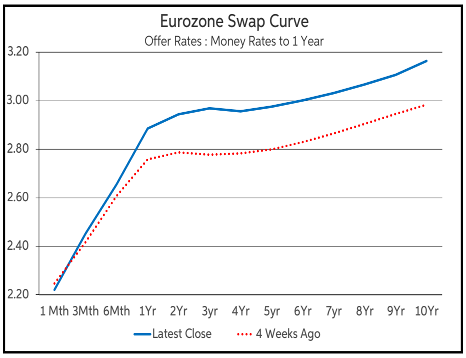
USD/JPY	162.14
USD/CAD	1.4047
USD/CHF	0.8059
USD/CNY	6.7677
USD/BRL	5.0784
USD/RUB	77.8
USD/INR	96.3225
AUD/USD	0.6996
NZD/USD	0.5852

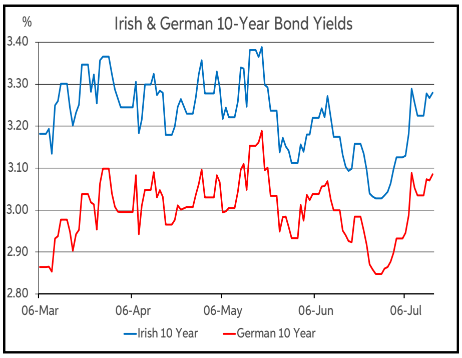












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.55	-4	+8	+39
Germany	3.09	+2	+16	+22
UK	4.94	-5	+18	+46
Ireland	3.28	+1	+19	+25
Belgium	3.65	+2	+19	+31
France	3.90	+2	+24	+34
Italy	3.91	+3	+27	+40
Spain	3.58	+1	+23	+29
Portugal	3.47	+2	+17	+31
Greece	3.81	+2	+22	+33
5 Year Swap %				
US	4.24	-5	+0	+52
Eurozone	2.97	+0	+18	+41
UK	4.50	-3	+21	+61
2 Year Swap %				
US	4.25	-5	-5	+68
Eurozone	2.94	+1	+16	+68
UK	4.43	-4	+16	+70
10 Year Government Bond Spreads to Benchmark bps				
Ireland	19	-0	+3	+3
Belgium	57	-0	+3	+8
France	82	+0	+8	+12
Italy	82	+1	+11	+17
Spain	49	-0	+7	+6
Portugal	39	+0	+1	+9
Greece	72	+0	+6	+11

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	84.95	+0.26	+6.79	+39.61
West Texas Oil	80.73	+0.36	+0.10	+40.99
Gold $	4060.4	+0.16	-4.63	-5.88

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