Morning Comment

AIB Treasury Economic Research Unit

Tuesday 21 July 2026
07:24 am

Oil prices stabilise, for now

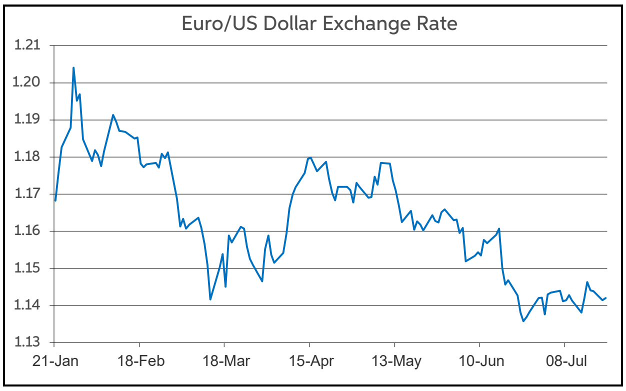
The trading week on markets got underway yesterday with the focus mainly centred on weekend developments in the Middle East. The conflict showed no signs of easing, with continued military action, including in the Strait of Hormuz. This 'escalatory' geopolitical backdrop was reflected in significant upward pressure on oil prices. Brent crude opened yesterday morning above the $90 per barrel threshold, reaching a high of $91.4. However, as the day progressed, prices eased back somewhat. Brent crude is trading this morning within a $88-89 p/b range.

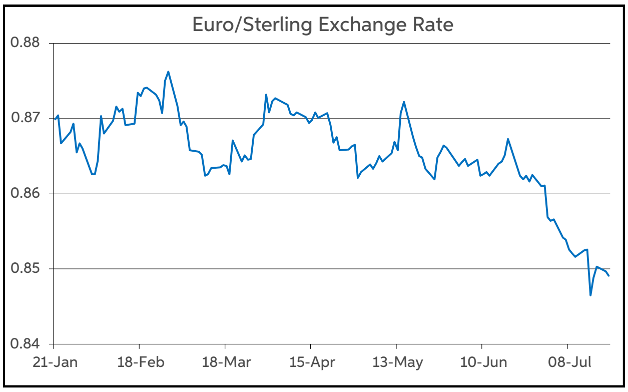
From a risk appetite perspective, a very sparse macro data calendar yesterday, meant investors had little to occupy their minds other than the US-Iran war. Overall, there was a cautious tone to market sentiment. At the closing bell last night on Wall Street, the S&P 500 index was 0.2% lower on the day. On bond markets, UK gilts underperformed as investors waited for PM Burnham's pick for Chancellor of the Exchequer as well as contemplating what "flexibility" within the governments fiscal rules would entail.

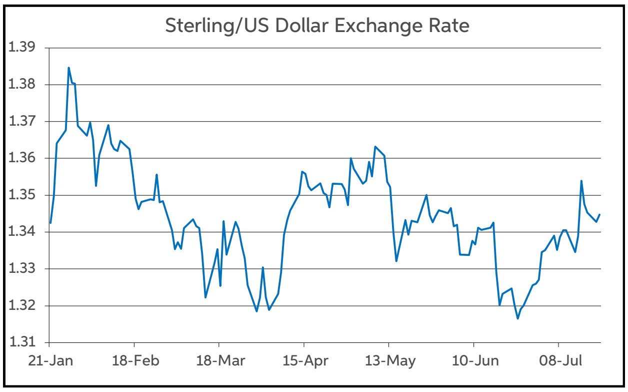
On the currency front, the action amongst the majors was generally uneventful yesterday. This pattern was maintained in overnight trading on Asia-Pacific markets. This is evident in the main pairs operating this morning at levels broadly similar to 24 hours earlier. EUR/USD remains above the $1.14 mark and EUR/GBP continues to trade just below the 85p handle. Meanwhile, GBP/USD is changing hands in and around the midpoint of $1.34-1.35.

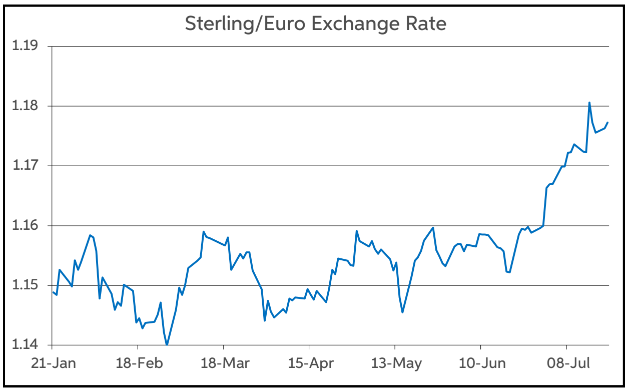
Today's macro diary has already seen the release of a raft of UK labour market updates. The unemployment rate printed slightly better than expected, remaining steady at 4.9% (vs. f'cast for 5.0%) in the three months to May. The Middle East conflict will remain a potential directional driver for markets over the course of today.

John Fahey, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1421	-0.20	-2.76
EUR/GBP	0.8491	-0.07	-2.57
GBP/USD	1.3447	-0.13	-0.19
GBP/EUR	1.1772	0.07	2.64
USD/JPY	162.52	0.12	3.75
EUR/JPY	185.63	-0.09	0.89

* 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	3.74	4.02	4.32	4.30
EUR	2.25	2.21	2.48	2.89	2.99	3.04
GBP	3.75	3.75	3.81	4.16	4.49	4.58

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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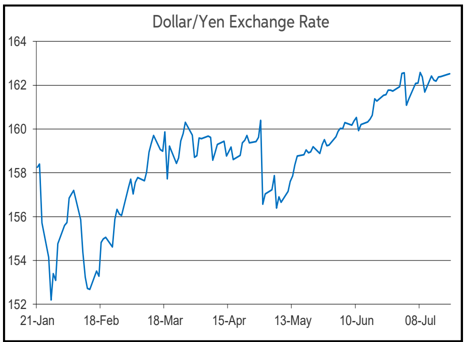
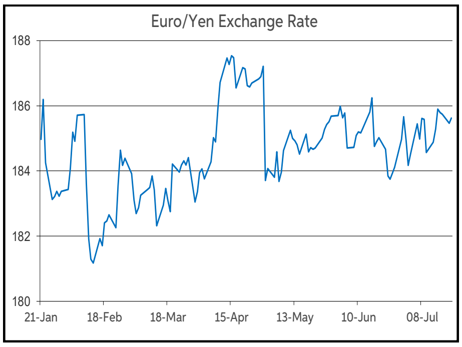
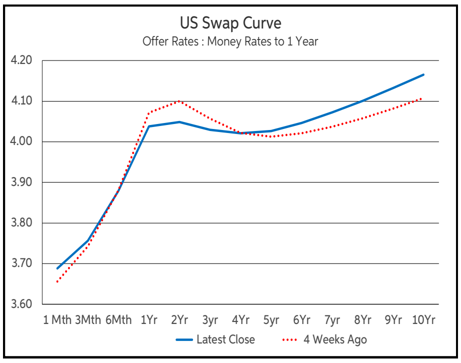
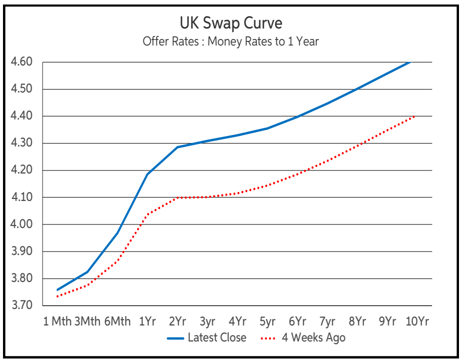
AIB

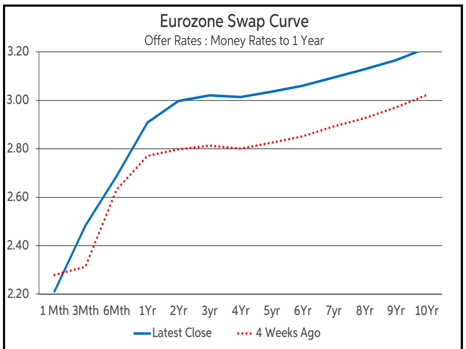
Euro		Sterling		Dollar	
EUR/GBP	0.8491	GBP/EUR	1.1772	USD/JPY	162.52
EUR/USD	1.1421	GBP/USD	1.3447	USD/CAD	1.407
EUR/JPY	185.63	GBP/CAD	1.892	USD/CHF	0.8097
EUR/SEK	11.0415	GBP/NZD	2.2932	USD/CNY	6.7654
EUR/DKK	7.4755	GBP/JPY	218.54	USD/BRL	5.0907
EUR/NOK	11.0308	GBP/SEK	13.0011	USD/RUB	78.9
EUR/CHF	0.9248	GBP/DKK	8.7999	USD/INR	96.245
EUR/AUD	1.6284	GBP/NOK	12.9867		
EUR/HKD	8.9553	GBP/CHF	1.0887	AUD/USD	0.7012
EUR/CAD	1.6068	GBP/AUD	1.9174	NZD/USD	0.5861

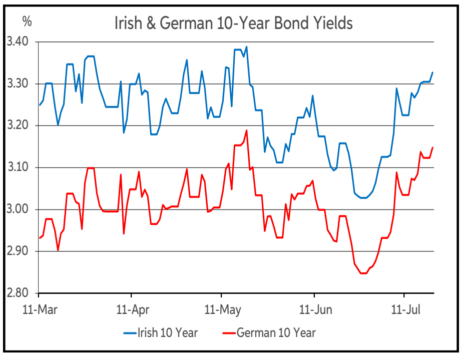












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.60	+6	+9	+45
Germany	3.15	+2	+20	+29
UK	5.04	+8	+23	+56
Ireland	3.33	+2	+19	+30
Belgium	3.70	+2	+20	+35
France	3.95	+2	+24	+39
Italy	3.98	+3	+31	+47
Spain	3.61	+2	+19	+32
Portugal	3.51	+2	+18	+35
Greece	3.85	+1	+24	+37
5 Year Swap %				
US	4.30	+4	+2	+57
Eurozone	3.03	+1	+21	+47
UK	4.60	+4	+23	+70
2 Year Swap %				
US	4.30	+2	-4	+72
Eurozone	2.99	-1	+20	+74
UK	4.53	+2	+20	+80
10 Year Government Bond Spreads to Benchmark bps				
Ireland	18	-0	-0	+1
Belgium	55	-0	-0	+7
France	80	-0	+4	+10
Italy	84	+0	+12	+19
Spain	47	-0	-0	+4
Portugal	36	-1	-2	+6
Greece	70	-2	+4	+9

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	89.22	+1.27	+14.53	+46.62
West Texas Oil	84.38	+1.14	+6.89	+47.36
Gold $	4005.7	-0.27	-4.41	-7.15

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