Morning Comment

AIB Treasury Economic Research Unit

Wednesday 29 July 2026
06:45 am

Fed policy decision in focus

It was a quiet day on markets yesterday, as there was no new developments regarding the US-Iran war for investors to digest. At the same time, market participants may have been keeping their powder dry ahead of a busy period of central bank meetings/data releases over the next few days. Of the limited market action to note, the Euro Stoxx 50 edged a marginal 0.1% higher. On Wall Street, the S&P 500 gained 0.2%.

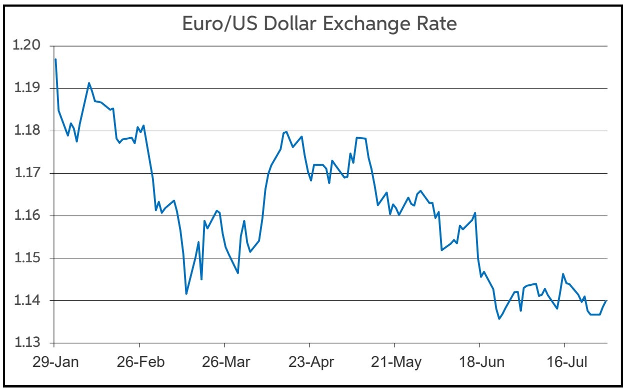
However, overnight the US has reported it intercepted missiles launched at military bases across the gulf originating from Iran. Oil prices have risen as a result. Brent crude fell back to a two-week low near $84/bbl yesterday but start's today up above $87/bbl.

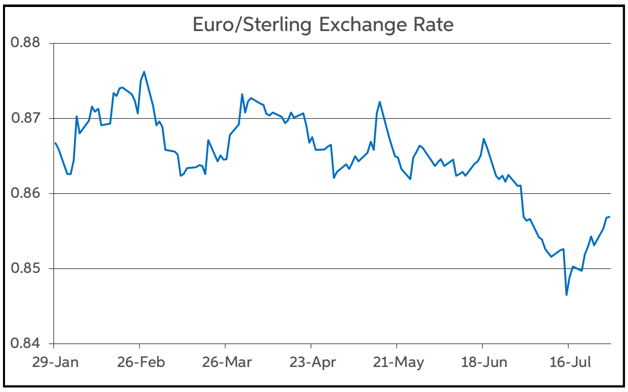
Data-wise, the main release yesterday was the Conference board measure of US consumer confidence for July. It printed below the consensus, deteriorating to 90.8 in the month (vs. 92.3 f'cast). The survey indicated that conditions in the labour market weakened in July. Encouragingly though, one-year ahead inflation expectations dipped to their lowest levels since February.

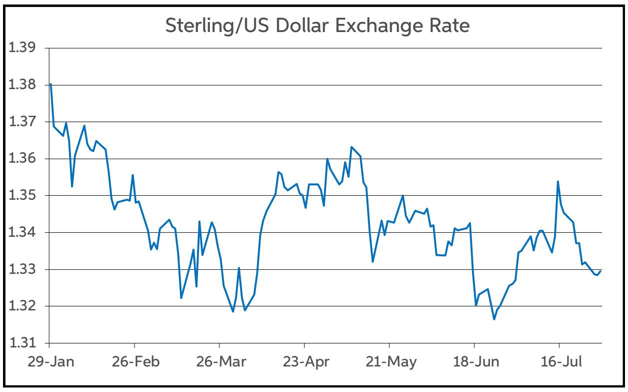
On the currency front, the main pairs remained tightly range bound. Of the muted price action to register, the euro and yen strengthened slightly. As trading gets underway this morning, this sees EUR/USD open up at the $1.14 threshold. GBP/USD is just below the $1.33 handle. EUR/GBP is operating in the top half of the 85-86p corridor. USD/JPY is at the midpoint of the ¥163-164 band.

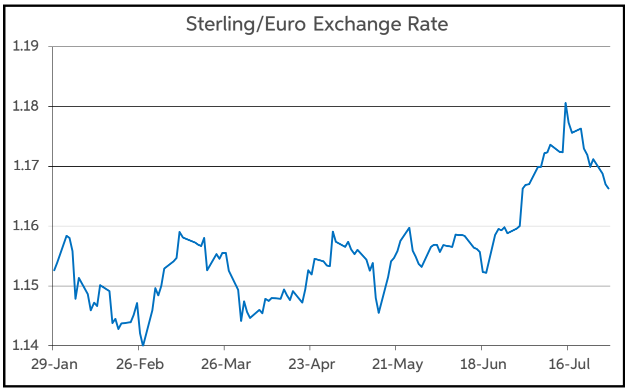
Turning to the day ahead, the focus will be on the Fed FOMC policy announcement, due after the close in Europe. The Fed is widely expected to leave rates unchanged. However, the press conference with Chair Warsh will warrant close attention. Developments in the Middle East will also continue to be watched closely.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1399	0.27	-2.95
EUR/GBP	0.8569	0.22	-1.68
GBP/USD	1.3295	0.02	-1.32
GBP/EUR	1.1661	-0.22	1.70
USD/JPY	163.41	-0.20	4.32
EUR/JPY	186.3	0.08	1.26

* 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	3.72	3.81	4.11	4.41	4.36
EUR	2.25	2.18	2.45	2.88	2.98	2.99
GBP	3.75	3.73	3.79	4.14	4.45	4.52

All rates quoted are indicative market rates

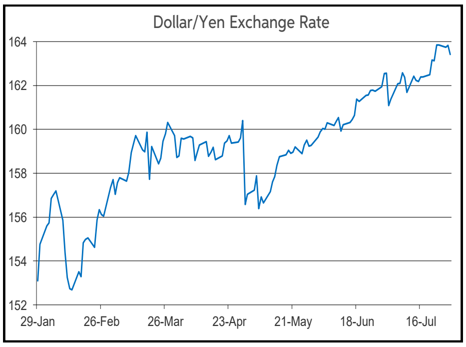
See Next Page For More Rates & Charts

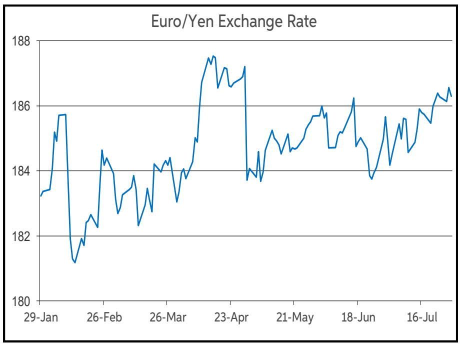
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie

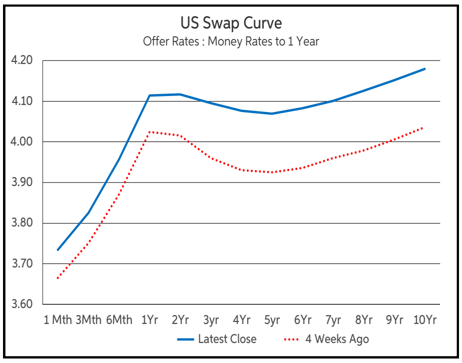
Opening Levels

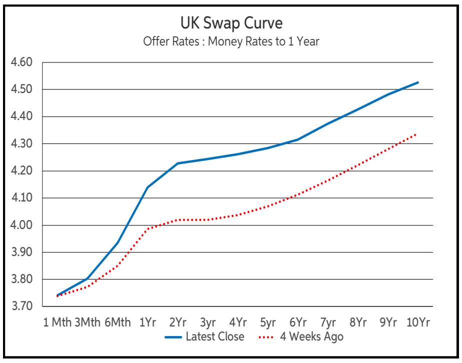
Wednesday 29 July 2026
06:45 am

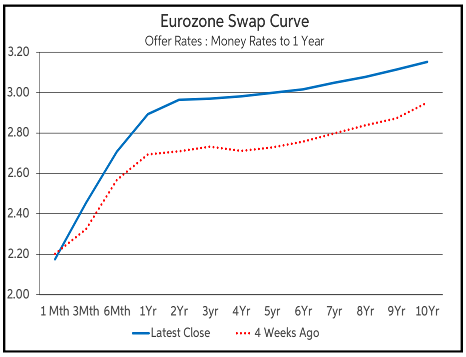
Euro		Sterling		Dollar	
EUR/GBP	0.8569	GBP/EUR	1.1661	USD/JPY	163.41
EUR/USD	1.1399	GBP/USD	1.3295	USD/CAD	1.409
EUR/JPY	186.3	GBP/CAD	1.8734	USD/CHF	0.8172
EUR/SEK	11.032	GBP/NZD	2.2957	USD/CNY	6.7703
EUR/DKK	7.4749	GBP/JPY	217.25	USD/BRL	5.1265
EUR/NOK	11.0174	GBP/SEK	12.867	USD/RUB	79.2
EUR/CHF	0.9316	GBP/DKK	8.7177	USD/INR	95.695
EUR/AUD	1.6384	GBP/NOK	12.85		
EUR/HKD	8.9384	GBP/CHF	1.0871	AUD/USD	0.6955
EUR/CAD	1.6061	GBP/AUD	1.9114	NZD/USD	0.5789

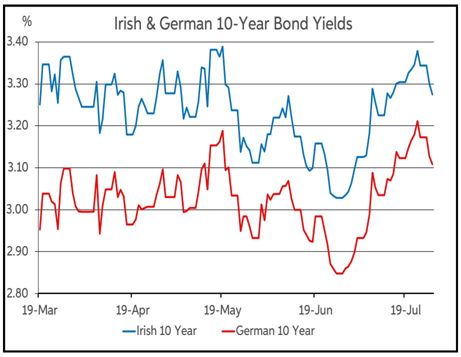












Debt Markets

	Close	Change bps Day	Change bps 4 Weeks	Change bps End 25
10 Year Yield %				
US	4.60	-4	+18	+45
Germany	3.11	-2	+24	+25
UK	4.95	-5	+19	+48
Ireland	3.27	-3	+23	+25
Belgium	3.64	-3	+20	+29
France	3.89	-3	+24	+33
Italy	3.92	-3	+32	+40
Spain	3.56	-3	+21	+27
Portugal	3.46	-3	+21	+30
Greece	3.84	+2	+31	+36
5 Year Swap %				
US	4.34	-3	+15	+62
Eurozone	2.99	-3	+27	+43
UK	4.51	-5	+22	+62
2 Year Swap %				
US	4.38	-5	+11	+81
Eurozone	2.96	-3	+25	+70
UK	4.44	-7	+19	+71
10 Year Government Bond Spreads to Benchmark bps				
Ireland	17	-1	-1	+0
Belgium	53	-1	-4	+5
France	78	-1	-1	+8
Italy	81	-1	+8	+16
Spain	45	-1	-3	+2
Portugal	35	-1	-4	+6
Greece	73	+4	+7	+11

Commodities

	Close	% Change Day	% Change 4 Weeks	% Change End 25
Brent Oil	87.12	-1.40	+19.47	+43.17
West Texas Oil	80.91	-3.96	+14.67	+41.30
Gold $	4027.1	-1.18	+0.50	-6.65