Morning Comment

AIB Treasury Economic Research Unit

Thursday 30 July 2026
07:45 am

Fed holds as expected. BoE policy decision today

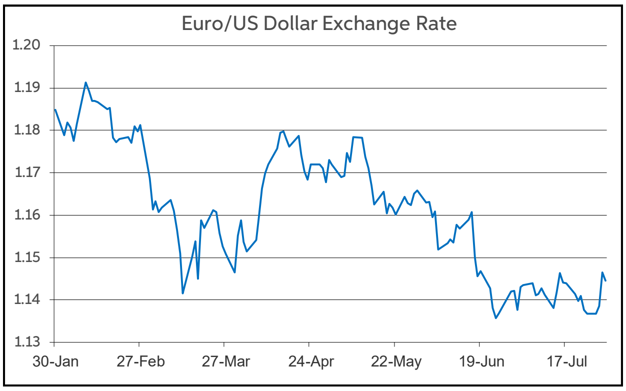
As expected, the Fed opted to leave the Fed Funds target range at 3.50-3.75% yesterday. However, the decision was not unanimous. Three officials voted in favour of hiking rates by 25bps. Meantime, at the press conference, Chair Warsh refrained from offering firm forward guidance on the future path of policy. Regardless, US market rate expectations have softened slightly. Market pricing indicates there is around a 70% chance of a rate hike at the next Fed meeting in September. Previously it was fully priced-in. However, the market still expects 50bps of policy tightening by the end of Q1 2027.

Elsewhere on markets, there was a risk averse tone to investor sentiment yesterday, as oil prices continued to climb higher. Brent crude rose up above $90 per barrel. Some mixed company earnings data also impacted equity markets. Against that backdrop, the Euro Stoxx 50 fell by 0.6%, while on Wall Street, the S&P 500 shed 1.5%.

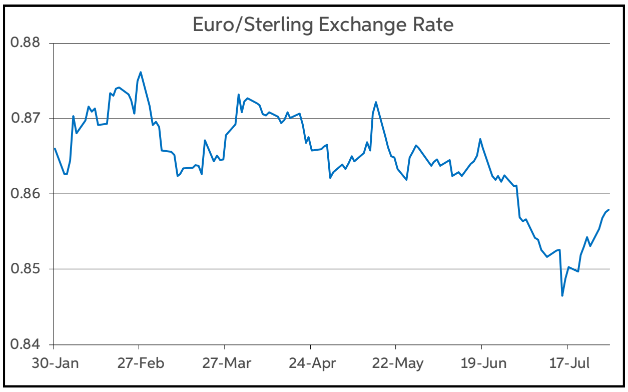
On the currency front, the main pairs remained tightly range bound throughout yesterday's European session. However, the dollar was on the defensive following the Fed policy meeting. In level terms, this is evidenced by EUR/USD opening this morning up near the midpoint of $1.14-1.15. GBP/USD is up above the $1.33 threshold. EUR/GBP is changing hands in the top half of the 85-86p band.

Today, the focus will be on the BoE policy decision. The MPC is widely expected to leave policy unchanged, but the voting split, meeting statement, updated Monetary Policy Report and the press conference, will garner close attention. Elsewhere, the BoJ is expected to leave rates unaltered tonight. On the data front, the first estimates of Eurozone and US GDP for Q2 will be released. US core-PCE inflation for June is also due.

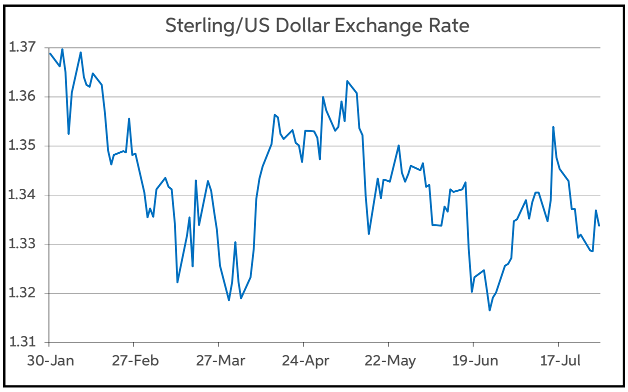
Daniel Noonan, Economist, AIB



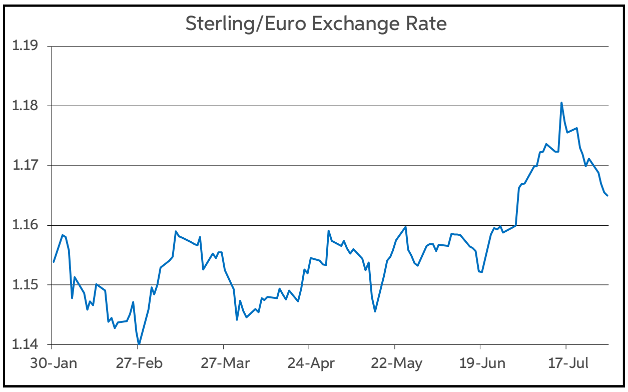
Euro/US Dollar Exchange Rate



Euro/Sterling Exchange Rate



Sterling/US Dollar Exchange Rate



Sterling/Euro Exchange Rate

Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1446	0.40	-2.55
EUR/GBP	0.8579	0.08	-1.56
GBP/USD	1.3335	0.29	-1.02
GBP/EUR	1.165	-0.08	1.59
USD/JPY	163.57	0.10	4.42
EUR/JPY	187.24	0.49	1.77

* 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	3.65	3.75	4.08	4.42	4.42
EUR	2.25	2.19	2.45	2.90	3.02	3.08
GBP	3.75	3.73	3.81	4.19	4.54	4.62

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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All Data Sourced from Refinitiv

Opening Levels

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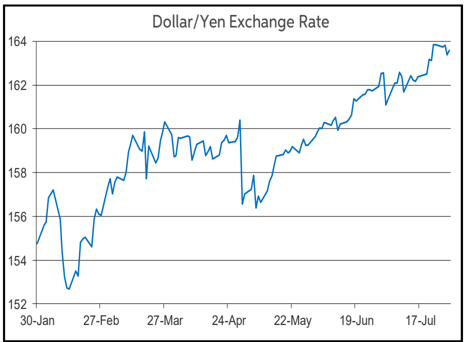
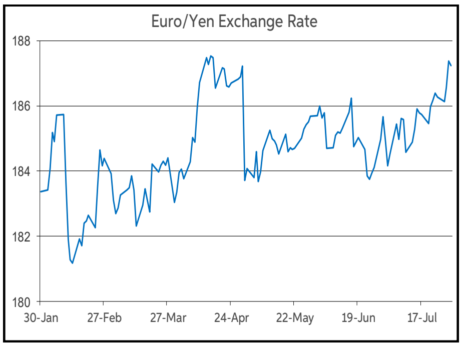
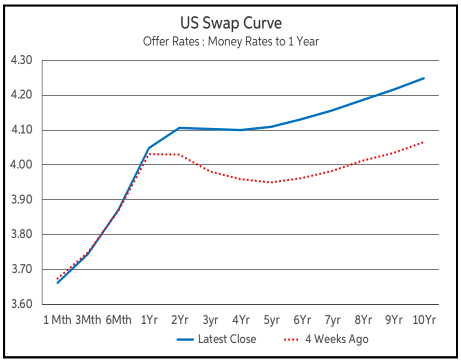
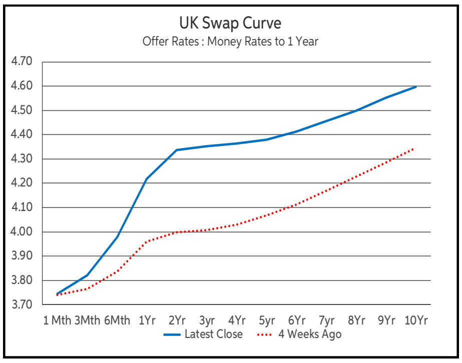
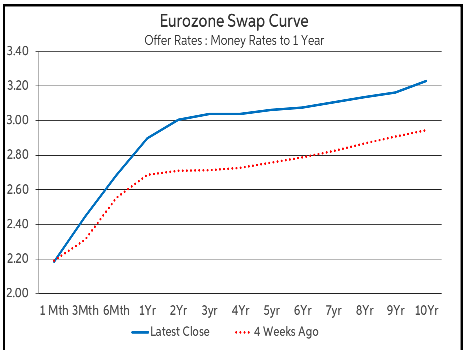
Euro		Sterling		Dollar	
EUR/GBP	0.8579	GBP/EUR	1.165	USD/JPY	163.57
EUR/USD	1.1446	GBP/USD	1.3335	USD/CAD	1.4054
EUR/JPY	187.24	GBP/CAD	1.8741	USD/CHF	0.8157
EUR/SEK	11.0684	GBP/NZD	2.2966	USD/CNY	6.7581
EUR/DKK	7.4753	GBP/JPY	218.14	USD/BRL	5.1178
EUR/NOK	10.9837	GBP/SEK	12.897	USD/RUB	79.8
EUR/CHF	0.9336	GBP/DKK	8.7088	USD/INR	95.7425
EUR/AUD	1.6468	GBP/NOK	12.7982		
EUR/HKD	8.9773	GBP/CHF	1.0879	AUD/USD	0.695
EUR/CAD	1.6086	GBP/AUD	1.9184	NZD/USD	0.5805

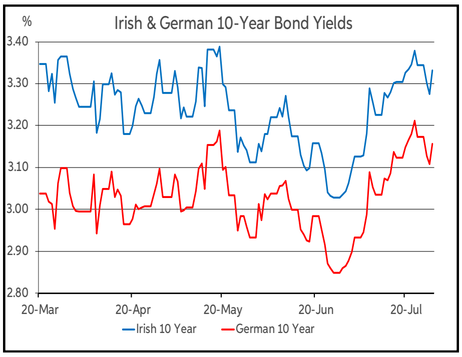












Debt Markets

		Change bps		
	Close	Day	4 Weeks	End 25
10 Year Yield %				
US	4.62	+2	+15	+47
Germany	3.16	+5	+28	+29
UK	5.04	+9	+27	+56
Ireland	3.33	+6	+27	+30
Belgium	3.70	+6	+24	+36
France	3.96	+7	+27	+39
Italy	4.00	+8	+37	+49
Spain	3.62	+6	+25	+33
Portugal	3.54	+8	+25	+38
Greece	3.86	+2	+29	+38
5 Year Swap %				
US	4.38	+3	+18	+66
Eurozone	3.06	+6	+31	+50
UK	4.62	+11	+32	+72
2 Year Swap %				
US	4.37	-1	+10	+80
Eurozone	3.00	+4	+29	+74
UK	4.57	+13	+35	+84
10 Year Government Bond Spreads to Benchmark bps				
Ireland	18	+1	-1	+1
Belgium	55	+2	-4	+6
France	80	+2	-0	+10
Italy	84	+4	+9	+19
Spain	47	+2	-3	+4
Portugal	38	+3	-2	+8
Greece	70	-3	+1	+8

Commodities

		% Change		
	Close	Day	4 Weeks	End 25
Brent Oil	90.74	+7.91	+26.78	+49.12
West Texas Oil	86.08	+6.39	+23.43	+50.33
Gold $	4065.0	+0.94	+0.87	-5.77

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