

Sentiment remains on a risk averse footing

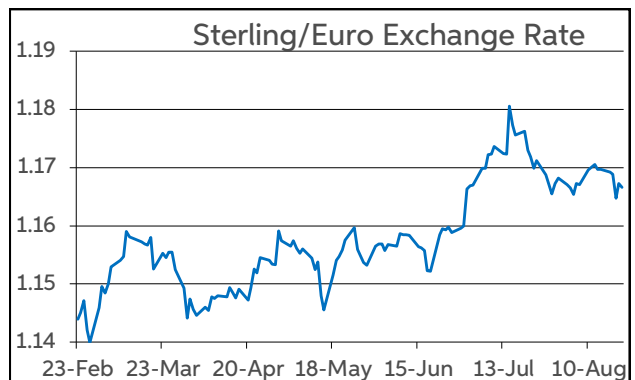
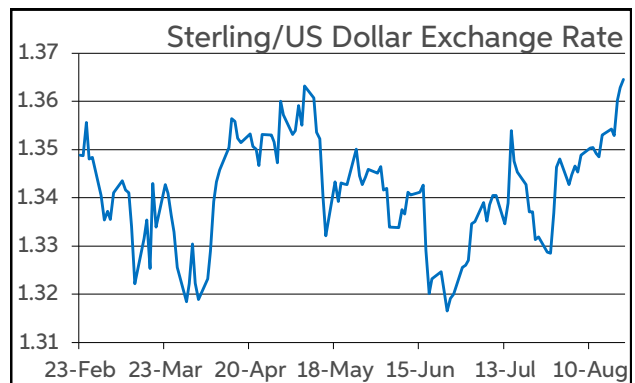
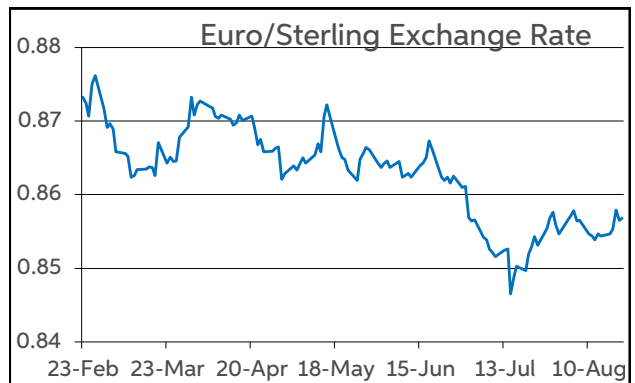
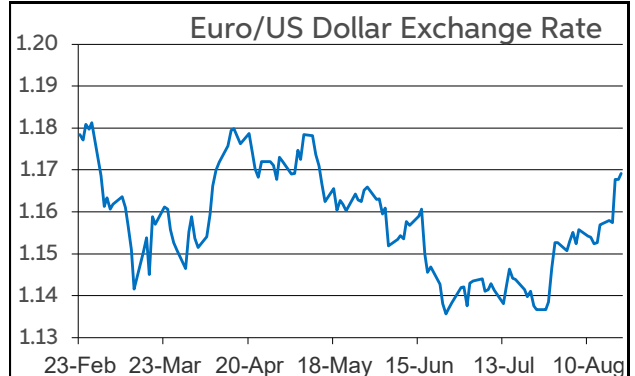
Investor sentiment was risk averse for much of yesterday. A quiet macro diary on both sides of the Atlantic, meant investors had plenty of time to ponder the risks to inflation and economic growth from a prolonged conflict in the Middle East. On commodity markets, oil prices came under further upward pressure. Brent crude traded up to a high just below \$95 per barrel. Meanwhile, the 'risk-off' mood was evident from the performance of the main equity indices. In Europe, the Euro Stoxx posted a 0.3% loss. Meanwhile, at the close on Wall Street last night, the S&P 500 was 0.9% lower on the day.

There was plenty of focus yesterday on US sovereign yields. This was due to the previous day's announcement from the US Treasury of a significant expansion (at least a doubling) to its liquidity support buyback operations for longer-dated US government debt. After falling on Wednesday's announcement, yields at the longer end of the curve resumed an upward trajectory yesterday. However, they remained below their highs from earlier in the week.

On the currency front, the weaker dollar tone from Wednesday's session carried over into yesterday. This was reflected in EUR/USD briefly testing above \$1.17 and GBP/USD reaching a peak of \$1.3659. As the day progressed, the dollar moved slightly off its lows. EUR/USD opens this morning at \$1.169, with GBP/USD changing hands at \$1.364. Meanwhile, EUR/GBP continues to trade in a tight range just above the midpoint of 85-86p.

Today's macro diary has already seen UK retail sales for July print in line with forecasts (-0.5% m/m). The main macro highlight, though, will be the flash PMI readings for August from the US, Eurozone and UK. At the same time, market sentiment will remain reactive to developments, if any, relating to the Middle East conflict.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1692	0.17	-0.45
EUR/GBP	0.8568	-0.10	-1.69
GBP/USD	1.3645	0.29	1.28
GBP/EUR	1.1668	0.11	1.72
USD/JPY	158.89	0.21	1.43
EUR/JPY	185.8	0.38	0.98

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
Base Rate	Money Market			Swap Rates		
	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr	
USD	3.63	3.67	3.74	3.97	4.32	4.39
EUR	2.25	2.20	2.49	2.94	3.05	3.12
GBP	3.75	3.72	3.78	4.13	4.49	4.62

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
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Opening Levels

Friday 21 August 2026
07:15 am



Euro

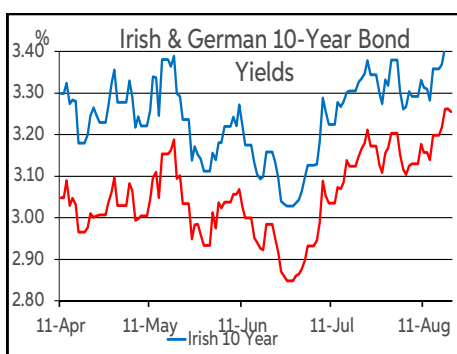
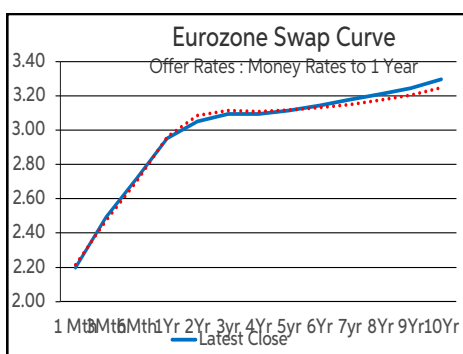
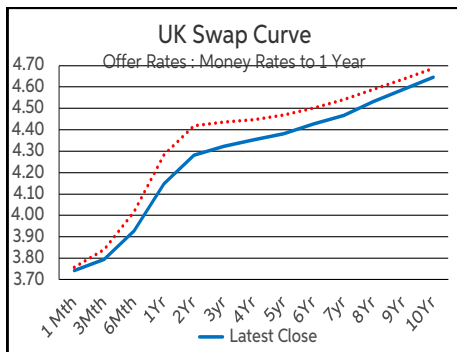
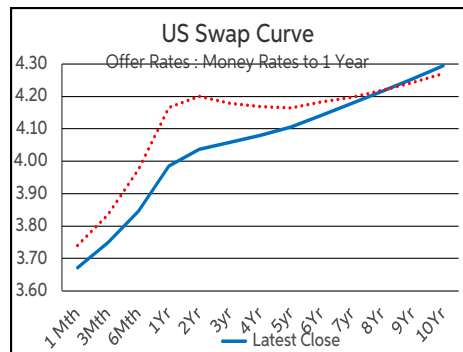
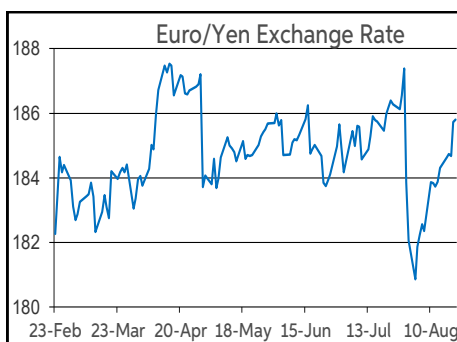
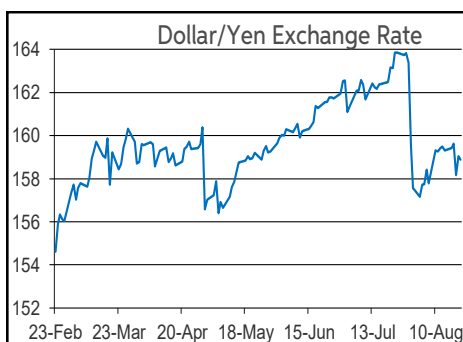
EUR/GBP	0.8568
EUR/USD	1.1692
EUR/JPY	185.8
EUR/SEK	11.0669
EUR/DKK	7.4756
EUR/NOK	10.8984
EUR/CHF	0.9347
EUR/AUD	1.6362
EUR/HKD	9.1699
EUR/CAD	1.6089

Sterling

GBP/EUR	1.1668
GBP/USD	1.3645
GBP/CAD	1.8774
GBP/NZD	2.2842
GBP/JPY	216.81
GBP/SEK	12.9104
GBP/DKK	8.7211
GBP/NOK	12.718
GBP/CHF	1.0907
GBP/AUD	1.9093

Dollar

USD/JPY	158.89
USD/CAD	1.3761
USD/CHF	0.7994
USD/CNY	6.7212
USD/BRL	5.1932
USD/RUB	83.4
USD/INR	95.74
AUD/USD	0.7144
NZD/USD	0.5969



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.70	+5	-0	+55
Germany	3.26	-1	+4	+39
UK	5.07	+2	-3	+60
Ireland	3.41	-0	+3	+38
Belgium	3.83	+1	+5	+48
France	4.12	+2	+10	+56
Italy	4.09	+2	+1	+57
Spain	3.71	+1	+2	+42
Portugal	3.62	+1	+2	+46
Greece	3.93	-0	-1	+45
5 Year Swap %				
US	4.38	+4	-5	+65
Eurozone	3.11	-2	-0	+55
UK	4.62	+1	-6	+72
2 Year Swap %				
US	4.30	+2	-14	+72
Eurozone	3.05	-1	-4	+79
UK	4.50	-0	-13	+77
10 Year Government Bond Spreads to Benchmark bps				
Ireland	16	+0	-1	-1
Belgium	57	+1	+1	+9
France	87	+2	+6	+17
Italy	83	+2	-4	+18
Spain	45	+2	-2	+2
Portugal	36	+2	-3	+7
Greece	67	+1	-5	+5

Commodities				
	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	93.78	+2.36	-6.86	+54.12
West Texas Oil	89.75	+2.83	-3.58	+56.74
Gold \$	4517.9	-0.07	+11.63	+4.72

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