Morning Comment

AIB Treasury Economic Research Unit

Tuesday 25 August 2026
07:24 am

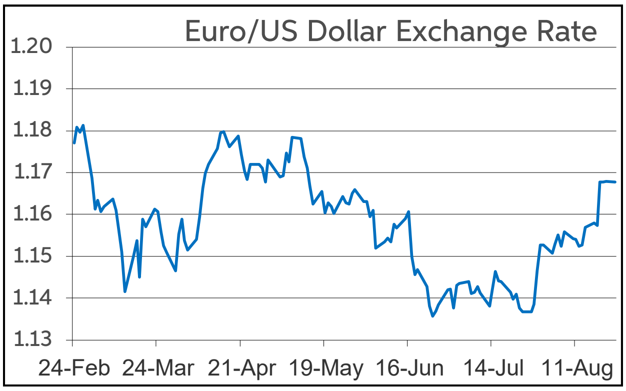
Cautious mood to start the week

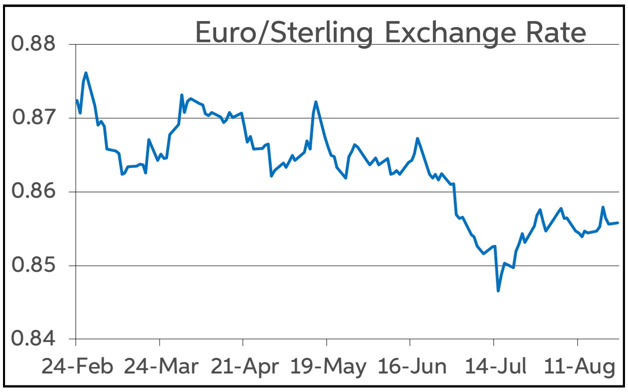
Risk appetite maintained a cautious tone yesterday. To some extent, investors were standing pat amid summer trading conditions with a quiet data calendar. At the same time, they continued to ponder the uncertain geopolitical backdrop. The US announced enhanced economic sanctions against Iran, while US-Canada trade tensions also generated plenty of headlines. However, oil prices which had been under sustained upward pressure throughout last week on the risk of a prolonged conflict in the Middle East, eased yesterday. Brent crude, whilst still elevated, traded back below the $93 per barrel threshold.

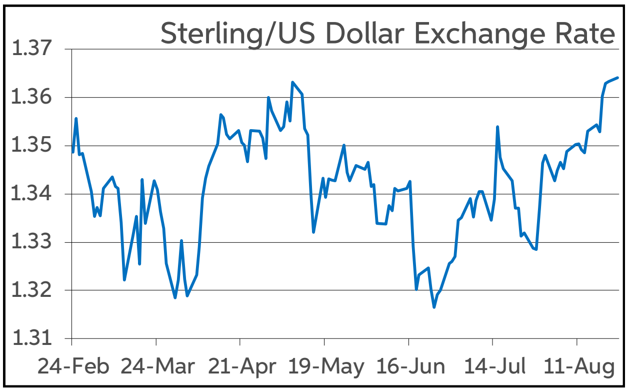
Overall, the main equity indices traded lower on both sides of the Atlantic, albeit with relatively modest losses. In Europe, the Euro Stoxx 50 fell by 0.2%. At the close on Wall Street last night, the S&P 500 was 0.3% lower on the day. Meanwhile, longer-dated US treasury yields, which were very much in focus last week after hitting near 20-year highs and the subsequent US Treasury buyback announcement, had a less eventful trading session yesterday. The 30-year yield continued to operate near to 5.25%.

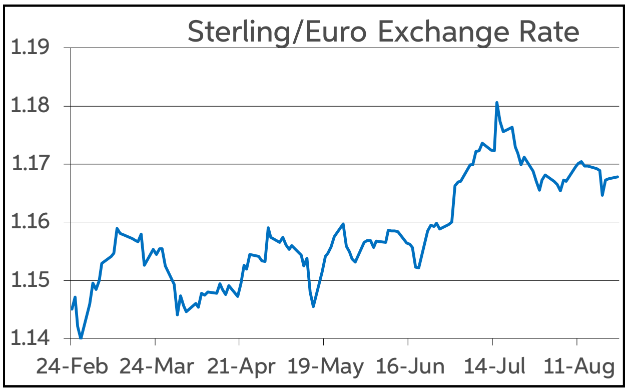
On the currency front, the action amongst the majors was contained within narrow ranges yesterday. This pattern has persisted in overnight Asia-Pacific trading. Of the limited moves registered over the past 24 hours, the dollar is marginally firmer. In level terms, EUR/USD has edged back towards the midpoint of $1.16-1.17, GBP/USD is trading towards the lower end of $1.36-1.37, while USD/JPY has regained the ¥159 mark. Elsewhere, EUR/GBP remains near the halfway point of the 85-86p band.

Today's macro data highlights are the German Ifo and US consumer confidence (both Aug). Meanwhile, Middle East-related news and US-Canada trade tensions will also remain in focus.
John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1656	-0.23	-0.76
EUR/GBP	0.8553	-0.07	-1.86
GBP/USD	1.3624	-0.16	1.12
GBP/EUR	1.1686	0.07	1.89
USD/JPY	159.35	0.32	1.72
EUR/JPY	185.75	0.09	0.96

* 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	3.68	3.75	4.00	4.35	4.40
EUR	2.25	2.22	2.52	2.93	3.05	3.10
GBP	3.75	3.73	3.78	4.13	4.49	4.61

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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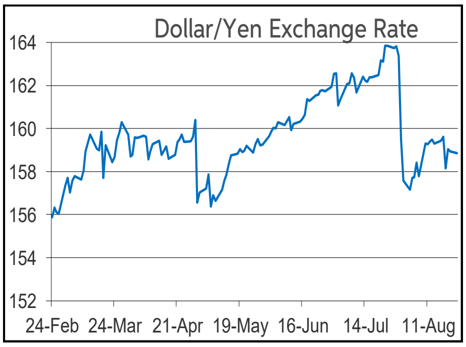
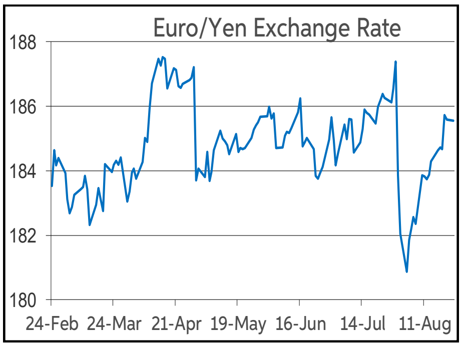
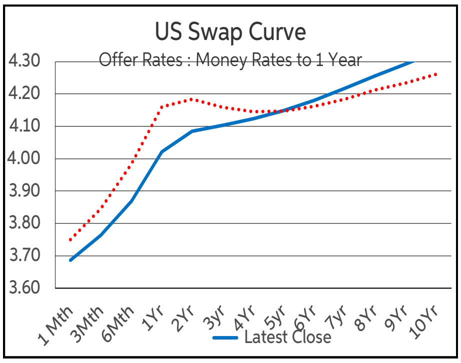
Opening Levels

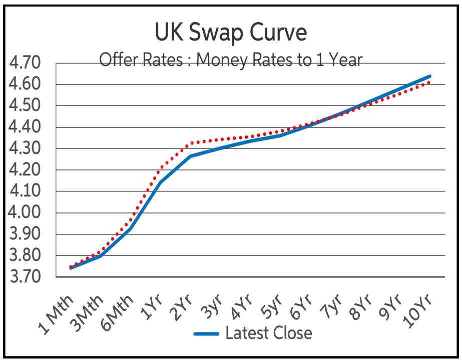
Tuesday 25 August 2026
07:26 am

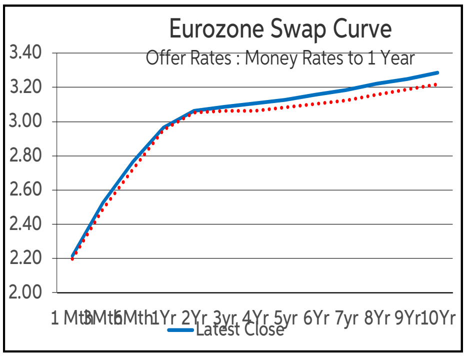
Euro		Sterling		Dollar	
EUR/GBP	0.8553	GBP/EUR	1.1686	USD/JPY	159.35
EUR/USD	1.1656	GBP/USD	1.3624	USD/CAD	1.3858
EUR/JPY	185.75	GBP/CAD	1.8878	USD/CHF	0.8034
EUR/SEK	11.0752	GBP/NZD	2.2867	USD/CNY	6.7228
EUR/DKK	7.4753	GBP/JPY	217.1	USD/BRL	5.1597
EUR/NOK	10.8526	GBP/SEK	12.9445	USD/RUB	84.2
EUR/CHF	0.9364	GBP/DKK	8.7371	USD/INR	95.7075
EUR/AUD	1.6307	GBP/NOK	12.6896		
EUR/HKD	9.1381	GBP/CHF	1.0945	AUD/USD	0.7147
EUR/CAD	1.6154	GBP/AUD	1.9056	NZD/USD	0.5955

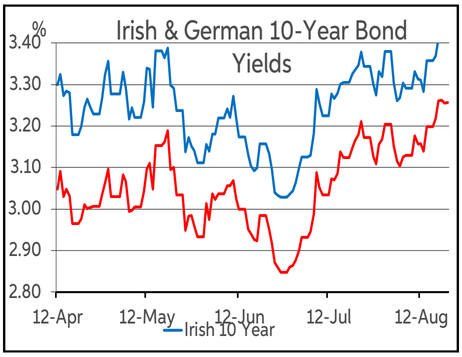












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.70	-3	+6	+55
Germany	3.25	-1	+12	+39
UK	5.06	-1	+6	+59
Ireland	3.40	-1	+10	+38
Belgium	3.82	-1	+15	+47
France	4.12	-1	+20	+56
Italy	4.09	-0	+15	+58
Spain	3.71	-0	+12	+42
Portugal	3.61	-3	+12	+45
Greece	3.94	+3	+13	+46
5 Year Swap %				
US	4.39	-2	+2	+67
Eurozone	3.12	-1	+10	+56
UK	4.61	+1	+5	+71
2 Year Swap %				
US	4.33	-2	-10	+76
Eurozone	3.07	+2	+8	+82
UK	4.51	+2	-0	+78
10 Year Government Bond Spreads to Benchmark bps				
Ireland	16	-0	-2	-1
Belgium	57	-0	+2	+9
France	87	+0	+8	+18
Italy	84	+1	+3	+19
Spain	46	+0	-0	+3
Portugal	36	-2	-1	+6
Greece	70	+4	+1	+8

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	92.17	-2.35	+4.31	+51.47
West Texas Oil	86.34	-1.00	+2.48	+50.79
Gold $	4651.3	+1.06	+14.14	+7.82

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