Morning Comment

AIB Treasury Economic Research Unit

AIB

Thursday 27 August 2026
07:01 am

Main FX pairs remain range bound

There was very much a summer trading vibe to much of the market action yesterday. By the close on Wall Street, last night the S&P 500 was flat on the day. On commodity markets, oil prices continued to move lower despite the ongoing uncertainty in relation to the Middle East conflict. Brent crude traded down into an $87-88 per barrel range. Meanwhile, after falling the previous day, bond yields tended to rise marginally yesterday. However, the 30-year Treasury yield, which had been in focus over recent weeks given it rose to near 20-year highs, remained below the 5.2% level.

Data-wise, the spotlight yesterday was on the US economy with a raft of publications due. The main release of note in this regard was core PCE inflation (Fed's preferred measure) for July. The headline number printed in line with expectations at 3.3% y/y. The second reading of Q2 GDP confirmed the US economy expanded at an annualised rate of 1.5%. Meanwhile, durable goods orders for July rose by a better than forecast 1.1% m/m (f'cast for 0.5%), although a key reason for this outperformance was the volatile aircraft component. Overall, yesterday's batch of US data is unlikely to prompt the Fed to make any near-term changes to interest rates.

From a currency perspective, the main pairs have been range-bound over the past 24 hours. Of the limited action to register over this period, sterling is holding a slightly softer tone. GBP/USD has moved back below the $1.36 handle, while EUR/GBP has edged higher within the upper half of 85-86p. Meantime, EUR/USD continues to change hands near the midpoint of $1.16-1.17.

Today's macro calendar is quiet on both sides of the Atlantic. The only release of note is the ECB July meeting account. Therefore, unless there are any notable geopolitical developments, the FX majors may continue to trade near to their current levels.

John Fahey, Senior Economist, AIB

Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1652	-0.08	-0.79
EUR/GBP	0.8573	0.23	-1.63
GBP/USD	1.3587	-0.32	0.85
GBP/EUR	1.166	-0.23	1.66
USD/JPY	159.34	0.19	1.72
EUR/JPY	185.7	0.13	0.93

* v Previous Day's European Open

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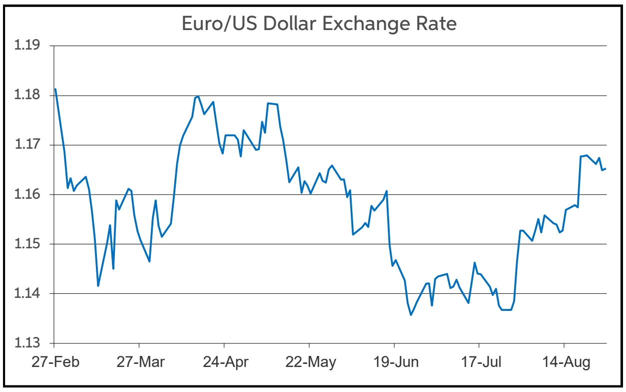
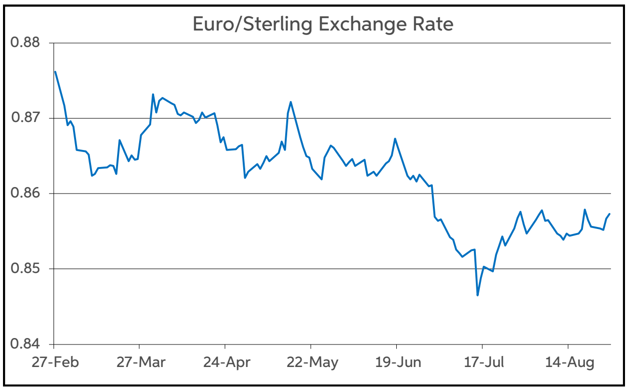
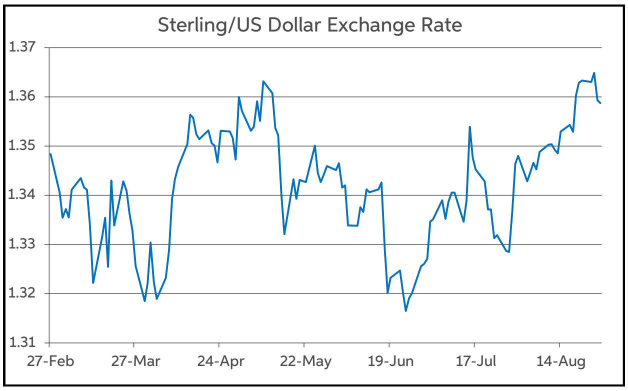
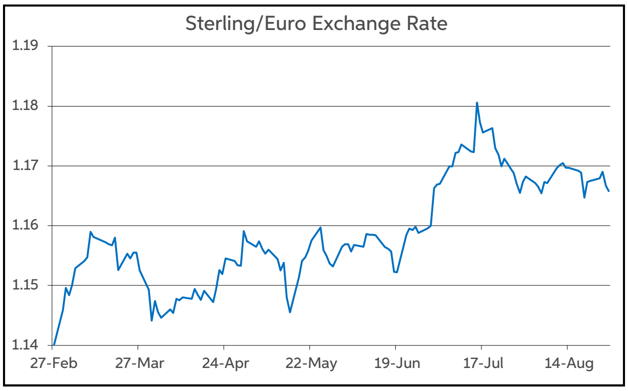
Opening Interest Rates

		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	3.63	3.68	3.75	4.02	4.36	4.39
EUR	2.25	2.25	2.55	2.96	3.06	3.11
GBP	3.75	3.73	3.78	4.12	4.51	4.61









All rates quoted are indicative market rates

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Opening Levels

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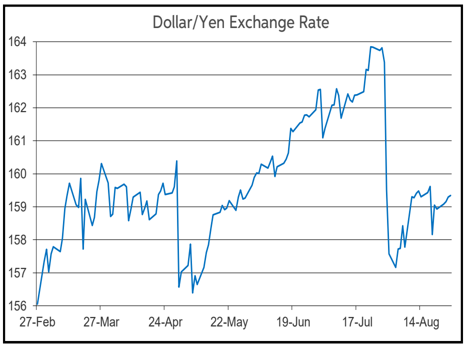
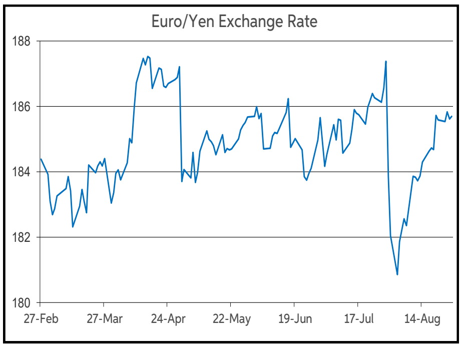
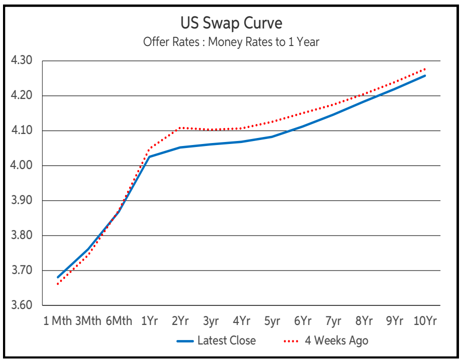
Euro	
EUR/GBP	0.8573
EUR/USD	1.1652
EUR/JPY	185.7
EUR/SEK	11.1031
EUR/DKK	7.4753
EUR/NOK	10.8913
EUR/CHF	0.9386
EUR/AUD	1.6224
EUR/HKD	9.1349
EUR/CAD	1.6175

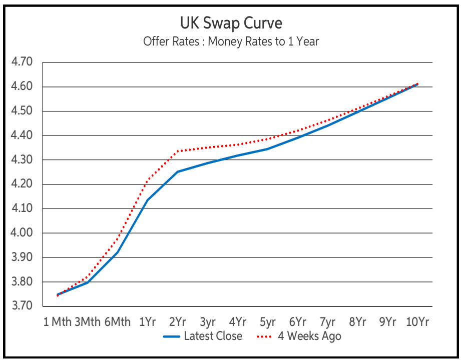
Sterling	
GBP/EUR	1.166
GBP/USD	1.3587
GBP/CAD	1.8861
GBP/NZD	2.2839
GBP/JPY	216.5
GBP/SEK	12.9437
GBP/DKK	8.7145
GBP/NOK	12.6979
GBP/CHF	1.0944
GBP/AUD	1.8919

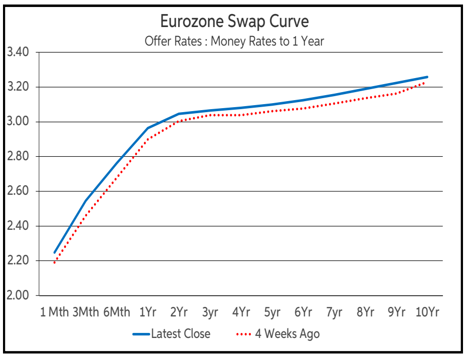
Dollar	
USD/JPY	159.34
USD/CAD	1.3886
USD/CHF	0.8057
USD/CNY	6.7205
USD/BRL	5.149
USD/RUB	85
USD/INR	95.48
AUD/USD	0.718
NZD/USD	0.5947

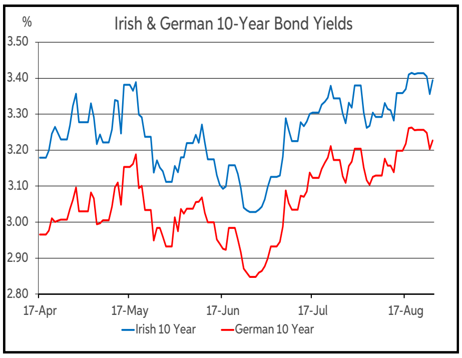












Debt Markets

		Change bps		
	Close	Day	4 Weeks	End 25
10 Year Yield %				
US	4.66	+2	+4	+51
Germany	3.23	+2	+7	+36
UK	5.04	+4	+0	+57
Ireland	3.39	+4	+6	+37
Belgium	3.78	+3	+8	+43
France	4.08	+3	+12	+52
Italy	4.05	+4	+5	+54
Spain	3.68	+3	+6	+39
Portugal	3.59	+3	+5	+43
Greece	3.88	-0	+2	+40
5 Year Swap %				
US	4.36	+3	-3	+63
Eurozone	3.10	+2	+4	+53
UK	4.60	+6	-2	+70
2 Year Swap %				
US	4.31	+2	-6	+74
Eurozone	3.04	+1	+4	+78
UK	4.50	+5	-8	+77
10 Year Government Bond Spreads to Benchmark bps				
Ireland	17	+2	-1	+0
Belgium	55	+0	+0	+7
France	85	+0	+5	+15
Italy	83	+2	-2	+18
Spain	45	+1	-1	+2
Portugal	36	+1	-2	+7
Greece	65	-2	-5	+4

Commodities

		% Change		
	Close	Day	4 Weeks	End 25
Brent Oil	87.84	-0.84	-3.20	+44.35
West Texas Oil	83.46	-0.52	-3.04	+45.76
Gold $	4592.0	-1.39	+12.97	+6.44