Tuesday 13 October 2026
07:44 am

Morning Comment

AIB Treasury Economic Research Unit

Headwinds remain for the euro

There was a mixed mood on markets yesterday, amid relatively light trading conditions. A partial market holiday in the US (the stock market was open, while the bond market was closed), and a sparse macro data calendar on both sides of the Atlantic, contributed to the muted price action. For the most part, investors reacted to developments in the Middle East.

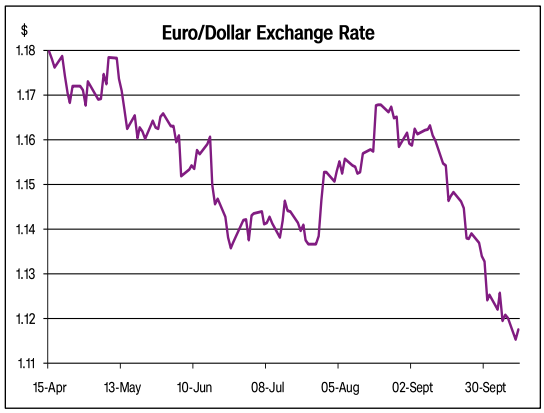
Against this backdrop, oil prices increased. Brent crude prices briefly peaked above $107 per barrel before settling near $106/bbl. The move in oil prices coincided with renewed concerns of higher inflation. As a result, short-dated bond yields moved 4-6bps higher in the UK and Germany. At the same time, the spread between German and French 10-year yields widened by circa 4bps, as negotiations regarding the French budget continued. Despite these headwinds though, the Euro Stoxx 50 gained a modest 0.5%. Elsewhere, The S&P 500 inched marginally lower by 0.1%.

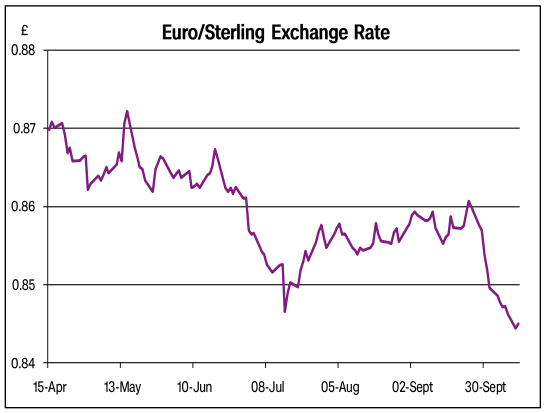
On the currency front, the dollar was in the ascendancy, supported by the rise in oil prices. At the same time, political/fiscal stability concerns in France continued to weigh on the euro. Overall, the greenback rose by circa 0.3-0.4% versus the euro, yen and sterling throughout the European session. However, the dollar handed back some of its gains overnight.

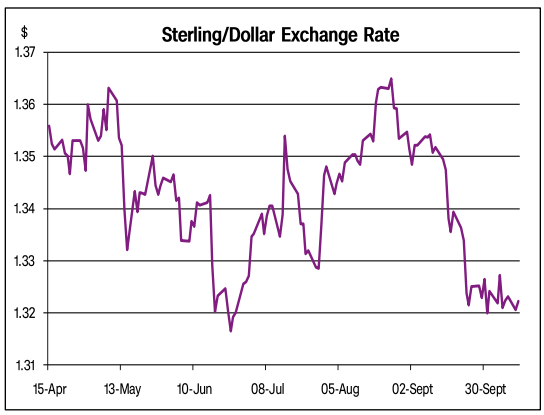
In level terms, the firmer tone to the dollar sees EUR/USD open today back in the top half of the $1.11-1.12 range. GBP/USD is changing hands lower in the bottom half of $1.32-1.33. EUR/GBP is operating down at the halfway mark of the 84-85p band. At the same time, USD/JPY remains in the bottom region of the ¥158-159 corridor.

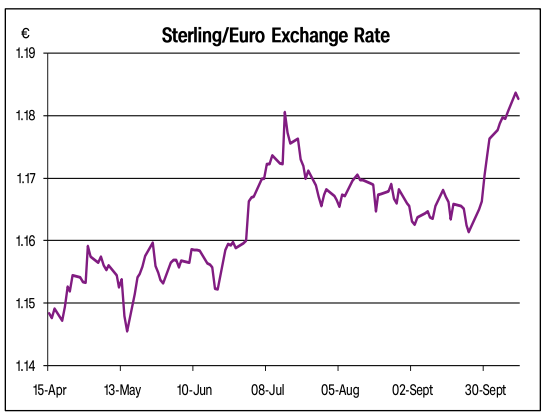
Turning to the day ahead, the macro calendar is relatively quiet once again. The only data release of any note will be US small business optimism for September. However, barring any major surprises, the release is unlikely to impact the dollar.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1175	-0.28	-4.85
EUR/GBP	0.8450	-0.14	-3.04
GBP/USD	1.3223	-0.14	-1.86
GBP/EUR	1.1828	+0.14	3.14
USD/JPY	158.25	-0.05	1.02
EUR/JPY	176.86	-0.33	-3.88

* 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	3.88	3.92	4.04	4.47	4.92	4.97
EUR	2.50	2.43	2.63	3.20	3.39	3.45
GBP	3.75	3.79	3.96	4.49	4.92	4.99

AIB Customer Treasury Services
business.treasury@aib.ie
aib.corporatetreasury@aib.ie
aib.ie/fxcentre

Customer Treasury Services GB
Treasury.gb@aib.ie
aibgb.co.uk/fxcentre

Customer Treasury Services NI
treasuryNI@aib.ie
aibgb.co.uk/fxcentre

AIB Economic Research Unit
aibeconomics.unit@aib.ie

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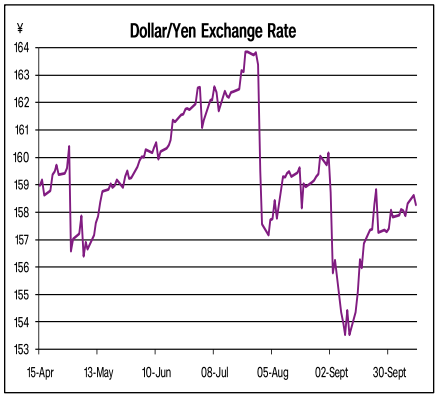
Opening Levels

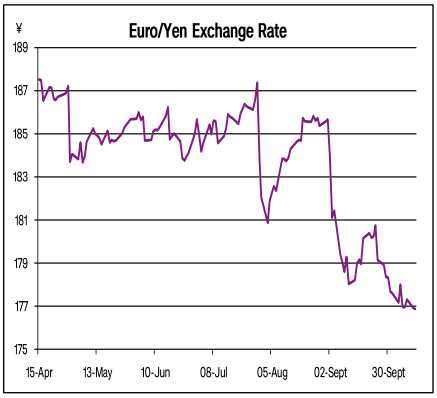
Today's Opening Rates

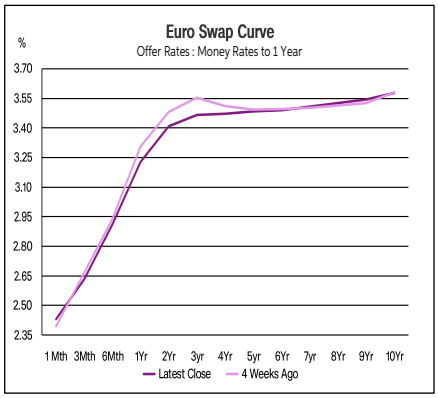
Euro	
EUR/GBP	0.845
EUR/USD	1.1175
EUR/JPY	176.85
EUR/SEK	11.1976
EUR/DKK	7.4745
EUR/NOK	10.6936
EUR/CHF	0.931
EUR/AUD	1.6049
EUR/HKD	8.7705
EUR/CAD	1.5944

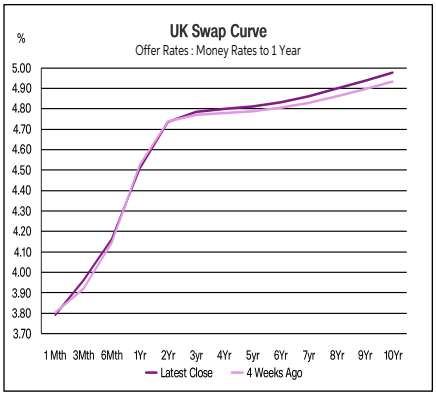
Sterling	
GBP/EUR	1.183
GBP/USD	1.3223
GBP/CAD	1.8863
GBP/NZD	2.3617
GBP/JPY	209.24
GBP/SEK	13.2455
GBP/DKK	8.842
GBP/NOK	12.6494
GBP/CHF	1.1014
GBP/AUD	1.8987

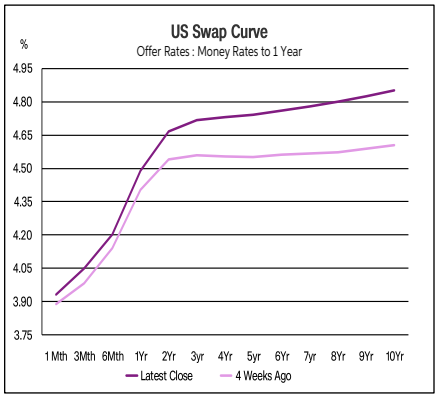
Dollar	
USD/JPY	158.25
USD/CAD	1.4268
USD/CHF	0.8329
USD/CNY	6.6959
USD/BRL	4.9866
USD/RUB	83.9150
USD/INR	95.23
AUD/USD	0.6962
NZD/USD	0.5596

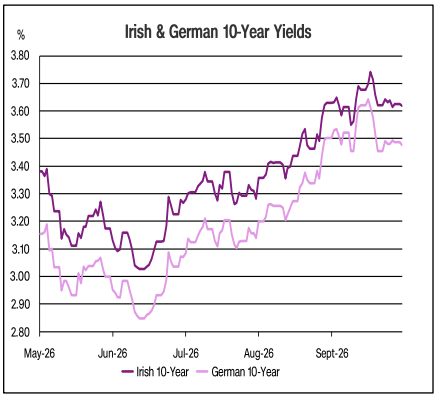












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	5.24	+1	+28	+109
Germany	3.48	-1	-6	+61
UK	5.45	+0	+7	+97
Ireland	3.62	-1	-1	+59
Belgium	4.34	+0	+17	+99
France	4.90	+4	+42	+134
Italy	4.59	-0	+19	+108
Spain	4.10	-0	+12	+81
Portugal	3.97	-2	+6	+82
Greece	4.41	-1	+12	+93
5 Year Swap %				
US	4.99	-0	+18	+127
Eurozone	3.48	+1	-0	+92
UK	5.02	+2	+5	+112
2 Year Swap %				
US	4.91	+0	+12	+134
Eurozone	3.40	+4	-7	+115
UK	4.95	+3	+6	+122
10 Year Government Bond Spreads to Benchmark bps				
Ireland	14	+0	+4	-2
Belgium	86	+2	+2	+22
France	142	+5	+5	+48
Italy	111	+1	+1	+25
Spain	63	+1	+1	+17
Portugal	50	-1	+12	+20
Greece	93	+0	+17	+17

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	106.65	+1.84	+0.92	+75.27
West Texas Oil	98.73	+0.00	-3.60	+72.42
Gold $	4171.1	-0.54	-2.95	-3.32

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AIB, 10 Molesworth Street, Dublin 2
Tel: 353-1-6600311