Wednesday 21 October 2026
07:55 am

Morning Comment

AIB Treasury Economic Research Unit

EUR/GBP below 84p

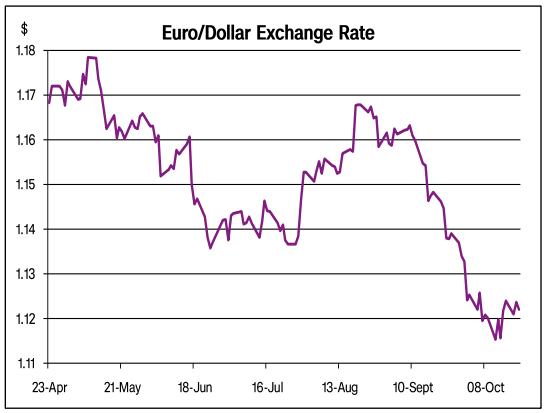
Investor sentiment continued to hold a cautious tone yesterday. Brent crude oil prices remained elevated, reaching $111 per barrel overnight, its highest level since May. Meantime, for a second consecutive day, US equity markets outperformed. The Euro Stoxx 50 fell by 0.4%, while on Wall Street, the S&P 500 rose by a modest 0.3%.

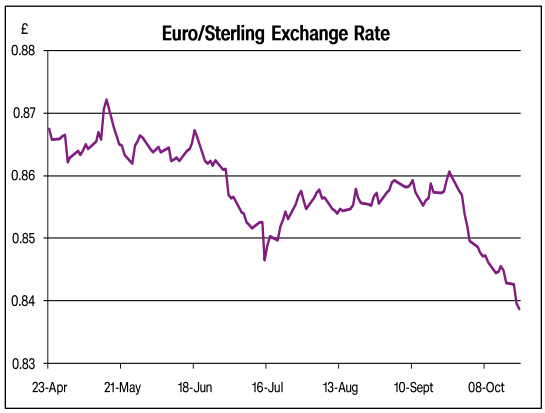
On bond markets, sovereign yield curves flattened across the board. Long-dated, US Treasury, UK Gilt and German Bund yields declined by 3-6bps yesterday. However, short-dated yields in the US and UK edged slightly higher, while they were close to flat in Germany. Meantime, the spread between German and French 10-year yields widened further to 153bps, as a vote on the revenue side of the French budget was postponed.

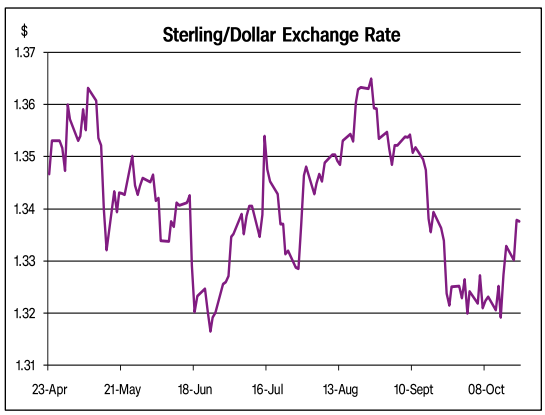
On the currency front, sterling was in the ascendancy once again yesterday. The move coincided with a modest firming in UK rate expectations, on the back of some better than anticipated labour market data. Current futures pricing indicates that the market expects 115bps of policy tightening between now and the end of 2027, up from 110bps previously. The firmer tone to sterling saw EUR/GBP fall to a new year-to-date low of 83.85p, while GBP/USD traded north of the $1.34 threshold for the first time since mid-September. As trading gets underway this morning, EUR/GBP is operating just below the 84p mark. GBP/USD is in the top half of the $1.33-1.34 range. Elsewhere, EUR/USD remains in the lower half of the $1.12-1.13 corridor.

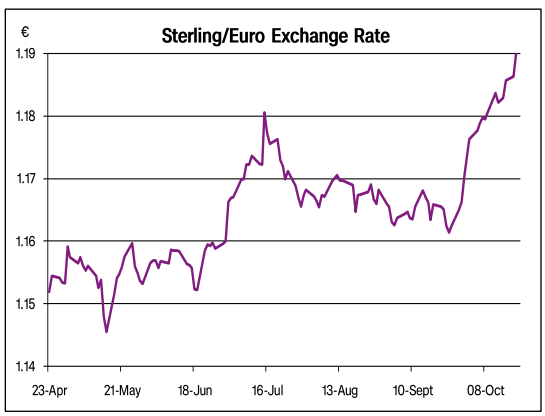
Already this morning, UK CPI inflation data for September has printed a touch above the consensus. The headline and the core rates rose to 3.5% and 2.8% in the month (vs. 3.4% and 2.7% f'cast). However, the release has not impacted sterling so far in early trading. The remainder of today's macro data calendar is relatively sparse. However, developments in France and the Middle East will remain in focus.

Daniel Noonan, Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1220	-0.12	-4.47
EUR/GBP	0.8387	-0.44	-3.76
GBP/USD	1.3376	+0.33	-0.72
GBP/EUR	1.1919	+0.44	3.91
USD/JPY	158.13	-0.02	0.94
EUR/JPY	177.43	-0.14	-3.57

* 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	4.06	4.50	4.92	4.93
EUR	2.50	2.42	2.64	3.27	3.44	3.47
GBP	3.75	3.86	3.99	4.53	4.98	5.03

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

All rates quoted are indicative market rates

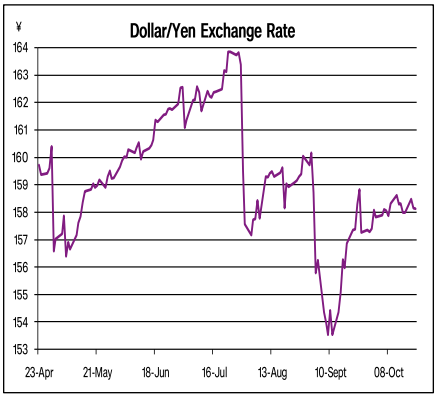
All data sourced from Refinitiv

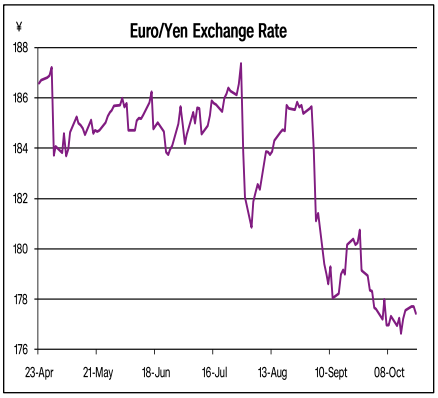
Wednesday 21 October 2026
07:55 am

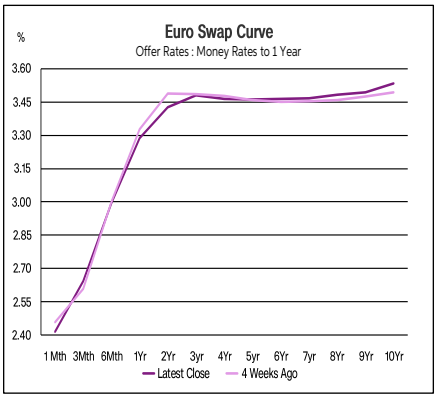
Opening Levels

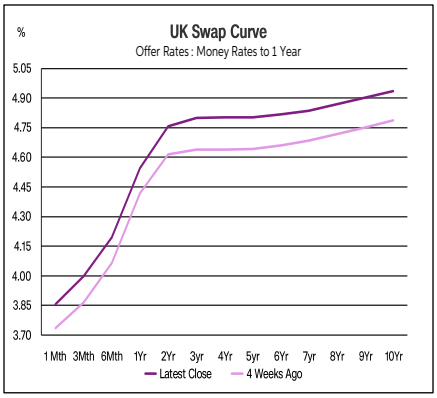
Today's Opening Rates

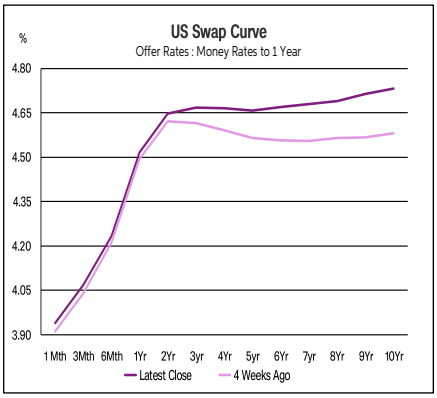
Euro		Sterling		Dollar	
EUR/GBP	0.8387	GBP/EUR	1.1919	USD/JPY	158.13
EUR/USD	1.122	GBP/USD	1.3375	USD/CAD	1.4061
EUR/JPY	177.43	GBP/CAD	1.8804	USD/CHF	0.8251
EUR/SEK	11.1145	GBP/NZD	2.3547	USD/CNY	6.6787
EUR/DKK	7.4736	GBP/JPY	211.5	USD/BRL	5.0241
EUR/NOK	10.5419	GBP/SEK	13.2487	USD/RUB	82.2950
EUR/CHF	0.9258	GBP/DKK	8.9094	USD/INR	94.68
EUR/AUD	1.5986	GBP/NOK	12.5662		
EUR/HKD	8.8054	GBP/CHF	1.1038	AUD/USD	0.7017
EUR/CAD	1.5778	GBP/AUD	1.9056	NZD/USD	0.5678

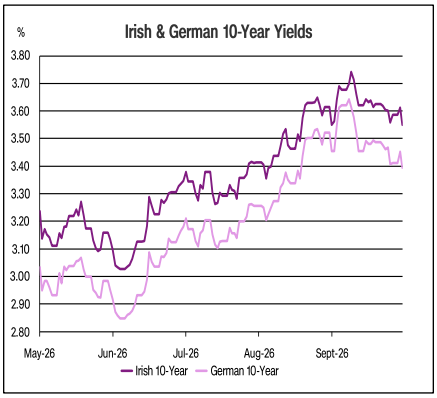












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	5.12	-2	+15	+96
Germany	3.39	-6	-6	+53
UK	5.41	-3	+17	+94
Ireland	3.55	-6	-1	+52
Belgium	4.34	-2	+25	+100
France	4.92	-0	+42	+136
Italy	4.52	-5	+16	+101
Spain	4.03	-4	+10	+74
Portugal	3.89	-5	+5	+73
Greece	4.41	+1	+20	+93
5 Year Swap %				
US	4.91	+1	+9	+119
Eurozone	3.46	-2	+0	+90
UK	5.05	+2	+18	+115
2 Year Swap %				
US	4.89	+2	+2	+132
Eurozone	3.42	+0	-6	+117
UK	5.00	+5	+16	+127
10 Year Government Bond Spreads to Benchmark bps				
Ireland	16	-0	+5	-1
Belgium	95	+4	+4	+31
France	153	+6	+6	+48
Italy	113	+1	+1	+22
Spain	64	+2	+2	+16
Portugal	49	+1	+12	+20
Greece	101	+7	+26	+26

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	108.79	-0.69	+9.61	+78.78
West Texas Oil	107.89	+1.15	+11.91	+88.42
Gold $	4124.3	-0.37	-5.29	-4.40

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.

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