Wednesday 28 October 2026
07:17 am

Morning Comment

AIB Treasury Economic Research Unit

US Fed and UK Budget in focus today

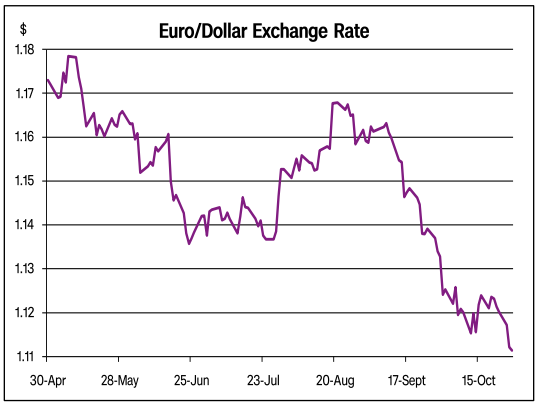
The improvement in investor sentiment was maintained yesterday. This was evident in a second consecutive day of gains for the main equity indices on both sides of the Atlantic. In Europe, the Euro Stoxx 50 rose by 0.8%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 0.6% higher on the day. On bond markets, action among benchmark sovereigns was generally uneventful, with 10-year yields changing by around 1-2bps over the course of the day. The 10-year US Treasury yield continued to trade close to the 5% level. Meanwhile, oil prices edged lower, but remained elevated near to $114 per barrel.

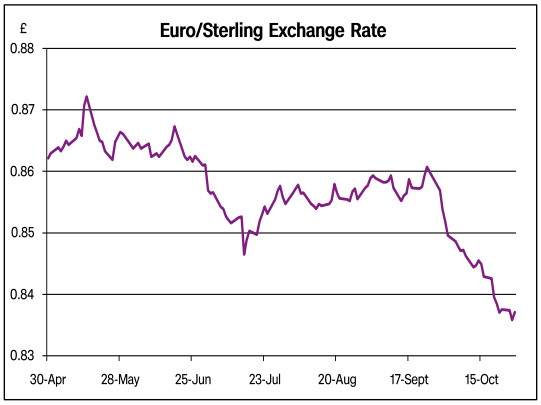
Yesterday's data calendar was US-centric. The macro updates tended to surprise to the upside. On the production side of the US economy, durable goods orders (Sept) rose by 1.8% m/m (vs. f'cast of 1.7%). Meanwhile, consumer confidence (Oct) printed at 91.7 (vs. f'cast of 81.0). From a dollar perspective, the data provided some helpful newsflow.

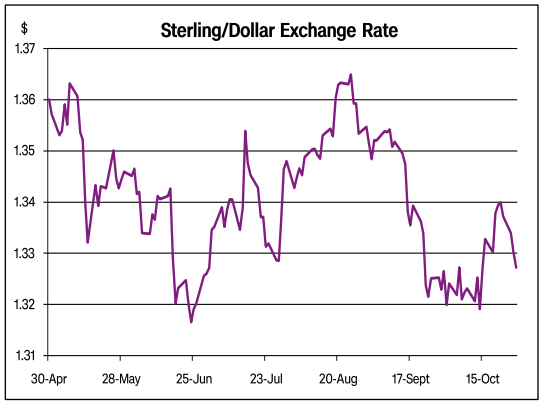
Overall, among the moves registered across the FX majors over the past 24 hours, the dollar is firmer. In level terms, this is reflected in the EUR/USD pair opening this morning below the midpoint of $1.11-1.12 and near its YTD low of $1.1114. Meantime, GBP/USD has dropped back under the $1.33 threshold, while USD/JPY is trading close to the ¥158 mark. Elsewhere, EUR/GBP remains in the upper half of the 83-84p band.

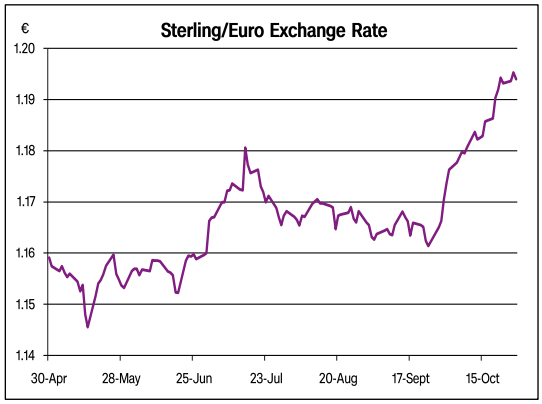
Looking ahead to today, we get the first of this week's key central bank events. Attention will be on the US Fed meeting, which concludes after the European close. The Fed is expected to keep rates on hold in a 3.75-4.00% range. However, the market is expecting a 25bps rate hike at its last meeting of the year in early December. So the focus will be on the meeting statement and Chair Warsh's press conference for any signals that reinforce this view. Meanwhile, from a sterling perspective, today's UK Budget entails some event risk.

John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1114	-0.47	-5.37
EUR/GBP	0.8373	-0.01	-3.92
GBP/USD	1.3270	-0.46	-1.51
GBP/EUR	1.1939	+0.01	4.08
USD/JPY	157.95	+0.16	0.83
EUR/JPY	175.57	-0.31	-4.58

* 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	4.48	4.89	4.87
EUR	2.50	2.44	2.64	3.27	3.42	3.46
GBP	3.75	3.92	4.02	4.57	5.00	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
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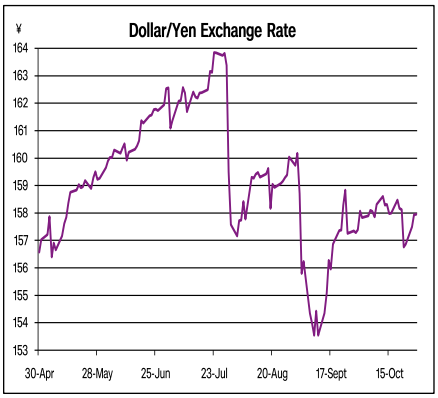
AIB Economic Research Unit
aibeconomics.unit@aib.ie

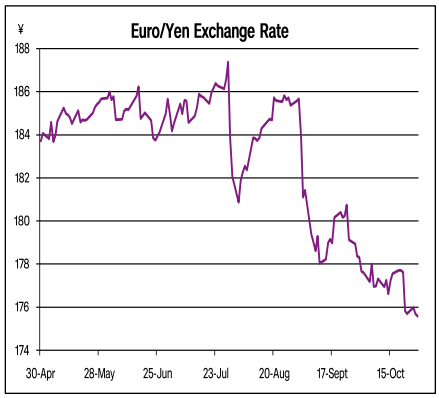
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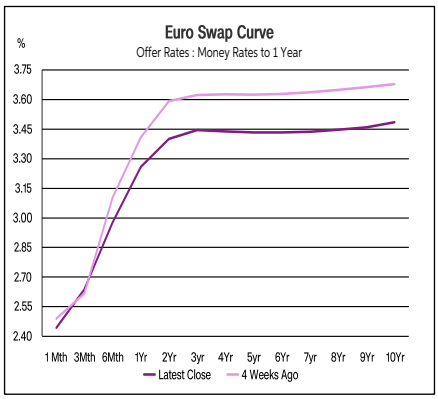
Opening Levels

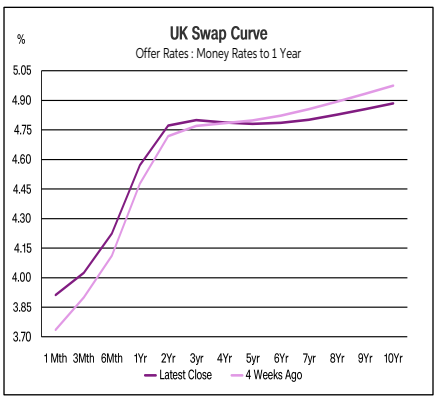
Today's Opening Rates

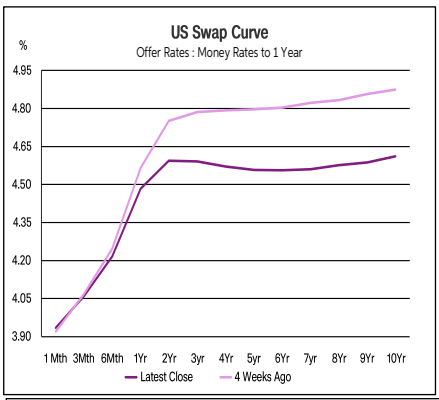
Euro		Sterling		Dollar	
EUR/GBP	0.8373	GBP/EUR	1.1939	USD/JPY	157.95
EUR/USD	1.1114	GBP/USD	1.327	USD/CAD	1.406
EUR/JPY	175.57	GBP/CAD	1.8658	USD/CHF	0.831
EUR/SEK	11.0751	GBP/NZD	2.3634	USD/CNY	6.6667
EUR/DKK	7.4739	GBP/JPY	209.63	USD/BRL	5.3517
EUR/NOK	10.3777	GBP/SEK	13.2256	USD/RUB	80.6737
EUR/CHF	0.9237	GBP/DKK	8.9238	USD/INR	95.19
EUR/AUD	1.5803	GBP/NOK	12.3838		
EUR/HKD	8.7168	GBP/CHF	1.1034	AUD/USD	0.7031
EUR/CAD	1.5625	GBP/AUD	1.887	NZD/USD	0.5612

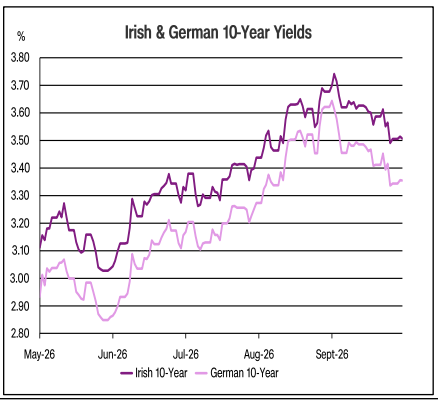












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.99	+1	-26	+84
Germany	3.36	-0	-26	+49
UK	5.35	+0	-6	+88
Ireland	3.51	-1	-23	+48
Belgium	4.40	+1	+5	+106
France	4.92	+2	+11	+136
Italy	4.51	+1	-12	+100
Spain	4.00	-0	-15	+71
Portugal	3.88	+1	-19	+72
Greece	4.31	-2	-14	+83
5 Year Swap %				
US	4.82	+2	-22	+109
Eurozone	3.42	+0	-20	+86
UK	5.01	+1	+0	+111
2 Year Swap %				
US	4.85	+2	-15	+128
Eurozone	3.39	-1	-19	+114
UK	4.99	+2	+6	+126
10 Year Government Bond Spreads to Benchmark bps				
Ireland	15	-1	+2	-1
Belgium	105	+2	+2	+31
France	157	+2	+2	+37
Italy	116	+1	+1	+14
Spain	65	-0	-0	+11
Portugal	52	+1	+7	+22
Greece	96	-2	+12	+12

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	113.88	-1.67	+11.00	+87.15
West Texas Oil	103.37	-1.79	+7.50	+80.53
Gold $	4057.8	+1.03	-2.94	-5.94

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