

## Eurozone flash HICP inflation due today

Trading conditions remained relatively subdued at the start of the week. There was a cautious tone to investor sentiment as market participants continued to digest the resumption of military strikes between the US and Iran. Against this backdrop, the Euro Stoxx 50 declined by 1.0%, while on Wall Street, the S&P 500 fell by 0.3%.

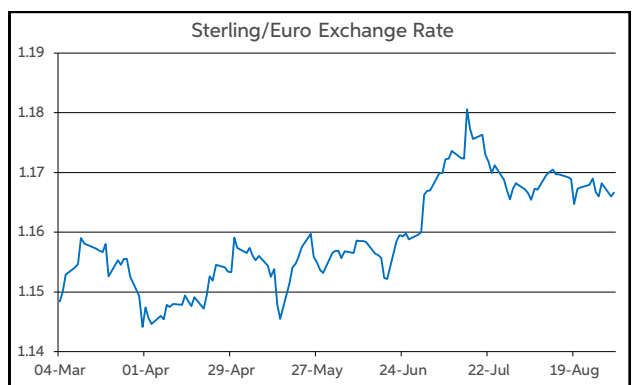
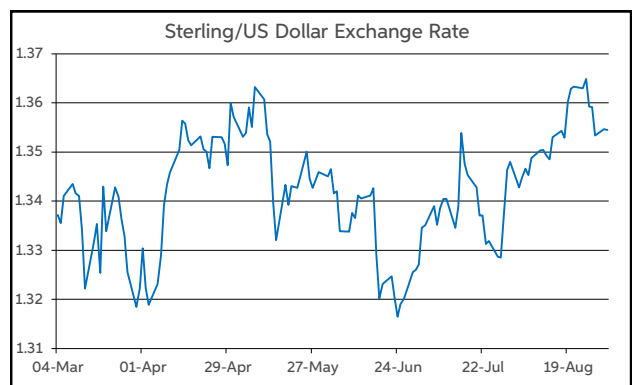
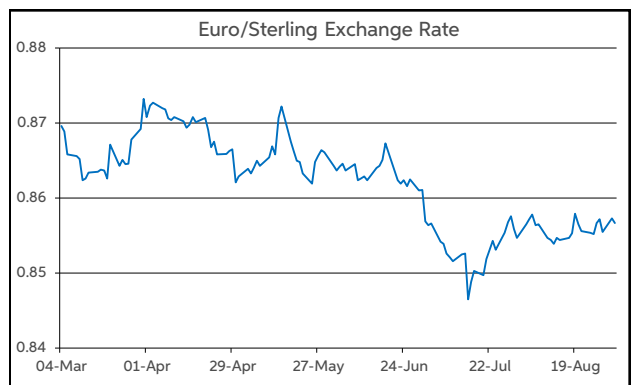
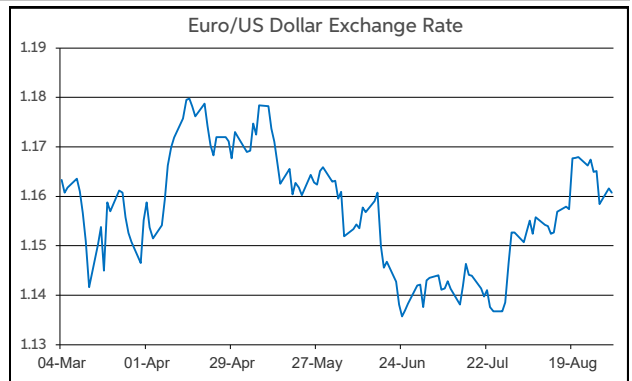
On bond markets, sovereign yields moved upwards across the board, led higher by the long-end of the curves. US Treasury yields rose by 1-5bps, with the 10-year yield rising to its highest level since January 2025 (4.76%). Similarly, German Bund yields by 2-5bps, as the 10-year yield reached a new 15-year peak (3.33%).

Data-wise, the only release of note was the flash reading of German HICP inflation for August. Inflation rose in the month to 2.9%, but printed below the consensus of 3.1%. The increase was largely driven by base effects in oil prices. However, there was little indication of second round inflation effects in the Eurozone's largest economy. Core inflation remained at 2.4%, while services inflation slowed for a second successive month, falling to 2.8%.

On the currency front, the main pairs were very tightly range bound. Of the limited moves to register, the euro was holding a marginally firmer tone. The single currency gained circa 0.1-0.2% against the dollar, sterling and yen. In level terms, this sees EUR/USD open back above the \$1.16 threshold. EUR/GBP is operating up in the top half of the 85-86p band. Elsewhere, GBP/USD is at the midpoint of \$1.35-1.36. USD/JPY remains in the upper part of the ¥159-160 corridor.

The main highlight today will be the flash reading of Eurozone inflation for August. The consensus is for the headline rate to rise to 3.3%. The core rate is projected to edge up to 2.3% from 2.2%.

**Daniel Noonan, Economist, AIB**



| Today's Opening FX Rates |        |          |          |
|--------------------------|--------|----------|----------|
|                          |        | % Change |          |
|                          |        | Day *    | End 2025 |
| EUR/USD                  | 1.1607 | 0.15     | -1.17    |
| EUR/GBP                  | 0.8567 | 0.13     | -1.70    |
| GBP/USD                  | 1.3545 | 0.01     | 0.53     |
| GBP/EUR                  | 1.1668 | -0.13    | 1.73     |
| USD/JPY                  | 159.88 | 0.06     | 2.06     |
| EUR/JPY                  | 185.59 | 0.21     | 0.87     |

\* v Previous Day's European Open

See Next Page for More Rates

| Opening Interest Rates |              |       |            |      |      |      |
|------------------------|--------------|-------|------------|------|------|------|
| Base Rate              | Money Market |       | Swap Rates |      |      |      |
|                        | 1-Mth        | 3-Mth | 1-Yr       | 2-Yr | 5-Yr |      |
| USD                    | 3.63         | 3.73  | 3.82       | 4.15 | 4.51 | 4.53 |
| EUR                    | 2.25         | 2.29  | 2.57       | 3.01 | 3.15 | 3.22 |
| GBP                    | 3.75         | 3.73  | 3.79       | 4.16 | 4.54 | 4.65 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

|         |                            |            |            |                  |                           |                 |                                   |
|---------|----------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|
| FX Spot | Karl Cooke<br>Shane Gargan | FX Options | Mark Tuite | Reuters<br>Phone | AIBG.I<br>00353-1-7724018 | Morning Comment | John Fahey<br>john.j.fahey@aib.ie |
|---------|----------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|

# Opening Levels

Tuesday 01 September 2026  
06:34 am



## Euro

|         |         |
|---------|---------|
| EUR/GBP | 0.8567  |
| EUR/USD | 1.1607  |
| EUR/JPY | 185.59  |
| EUR/SEK | 11.1319 |
| EUR/DKK | 7.475   |
| EUR/NOK | 10.8477 |
| EUR/CHF | 0.9394  |
| EUR/AUD | 1.6187  |
| EUR/HKD | 9.1001  |
| EUR/CAD | 1.609   |

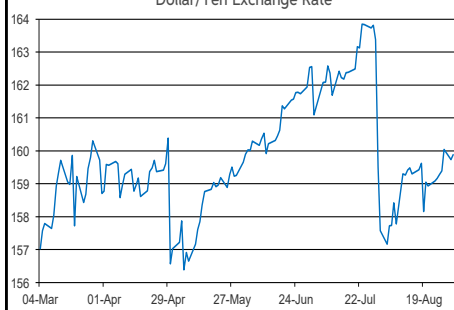
## Sterling

|         |         |
|---------|---------|
| GBP/EUR | 1.1668  |
| GBP/USD | 1.3545  |
| GBP/CAD | 1.8775  |
| GBP/NZD | 2.2912  |
| GBP/JPY | 216.56  |
| GBP/SEK | 12.9897 |
| GBP/DKK | 8.7204  |
| GBP/NOK | 12.66   |
| GBP/CHF | 1.0964  |
| GBP/AUD | 1.8889  |

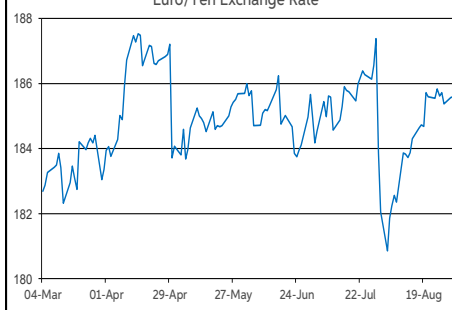
## Dollar

|         |        |
|---------|--------|
| USD/JPY | 159.88 |
| USD/CAD | 1.3863 |
| USD/CHF | 0.8093 |
| USD/CNY | 6.7198 |
| USD/BRL | 5.1825 |
| USD/RUB | 85.85  |
| USD/INR | 94.845 |
| AUD/USD | 0.7168 |
| NZD/USD | 0.5908 |

Dollar/Yen Exchange Rate

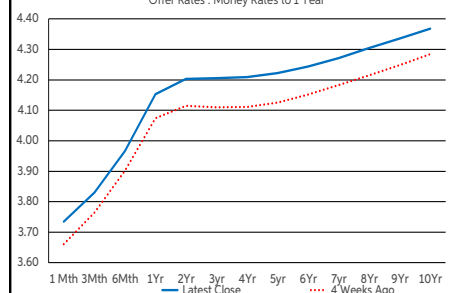


Euro/Yen Exchange Rate



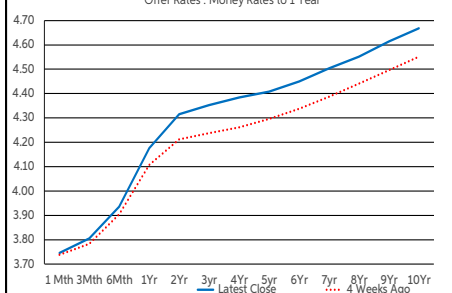
US Swap Curve

Offer Rates : Money Rates to 1 Year



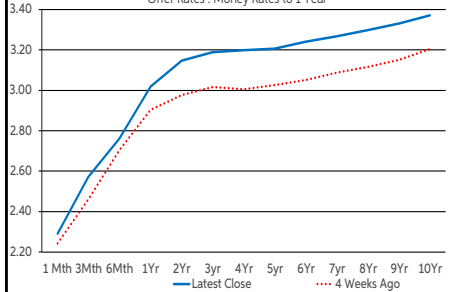
UK Swap Curve

Offer Rates : Money Rates to 1 Year

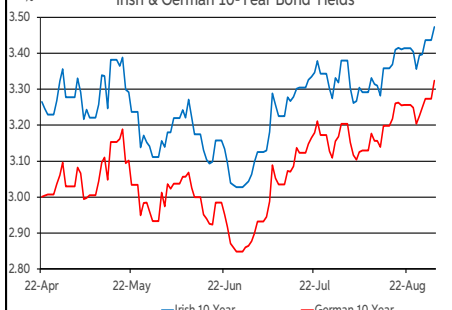


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

|                                                  | Close | Change bps |         |        |
|--------------------------------------------------|-------|------------|---------|--------|
|                                                  |       | Day        | 4 Weeks | End 25 |
| 10 Year Yield %                                  |       |            |         |        |
| US                                               | 4.76  | +4         | +7      | +61    |
| Germany                                          | 3.32  | +5         | +17     | +46    |
| UK                                               | 5.07  | +4         | +11     | +60    |
| Ireland                                          | 3.47  | +4         | +17     | +44    |
| Belgium                                          | 3.88  | +5         | +20     | +53    |
| France                                           | 4.17  | +5         | +24     | +61    |
| Italy                                            | 4.17  | +5         | +22     | +65    |
| Spain                                            | 3.78  | +5         | +19     | +49    |
| Portugal                                         | 3.69  | +5         | +20     | +53    |
| Greece                                           | 3.99  | +8         | +17     | +51    |
| 5 Year Swap %                                    |       |            |         |        |
| US                                               | 4.49  | +2         | +12     | +76    |
| Eurozone                                         | 3.20  | +3         | +18     | +64    |
| UK                                               | 4.65  | +0         | +13     | +75    |
| 2 Year Swap %                                    |       |            |         |        |
| US                                               | 4.47  | +2         | +12     | +90    |
| Eurozone                                         | 3.14  | +4         | +17     | +88    |
| UK                                               | 4.54  | -1         | +11     | +81    |
| 10 Year Government Bond Spreads to Benchmark bps |       |            |         |        |
| Ireland                                          | 15    | -1         | -0      | -2     |
| Belgium                                          | 55    | +0         | +3      | +7     |
| France                                           | 85    | -0         | +7      | +15    |
| Italy                                            | 84    | +0         | +5      | +19    |
| Spain                                            | 46    | -0         | +2      | +3     |
| Portugal                                         | 37    | +0         | +3      | +7     |
| Greece                                           | 67    | +3         | +0      | +5     |

## Commodities

|                | % Change |       |         |        |
|----------------|----------|-------|---------|--------|
|                | Close    | Day   | 4 Weeks | End 25 |
| Brent Oil      | 90.49    | +1.32 | +8.02   | +48.71 |
| West Texas Oil | 87.03    | +2.91 | +6.19   | +51.99 |
| Gold \$        | 4448.3   | -0.10 | +9.76   | +3.11  |

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