

ECB meeting and US CPI in focus this week

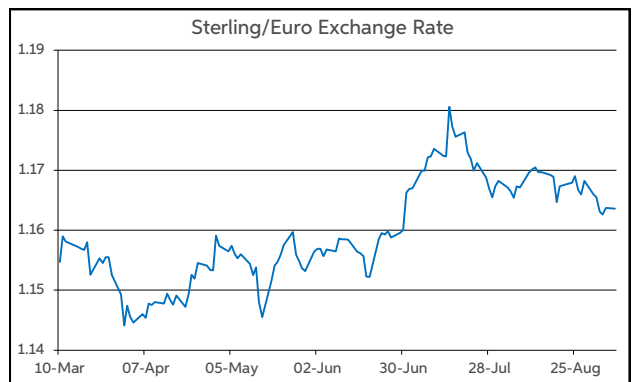
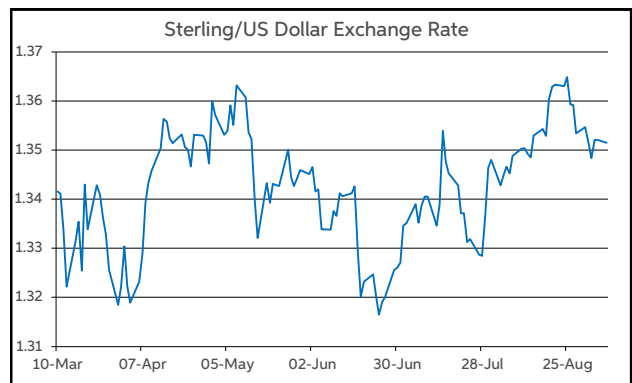
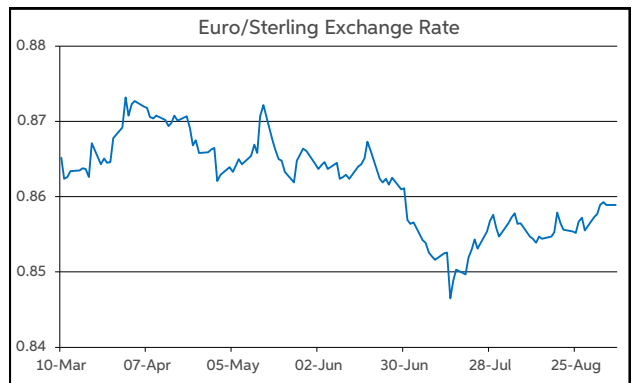
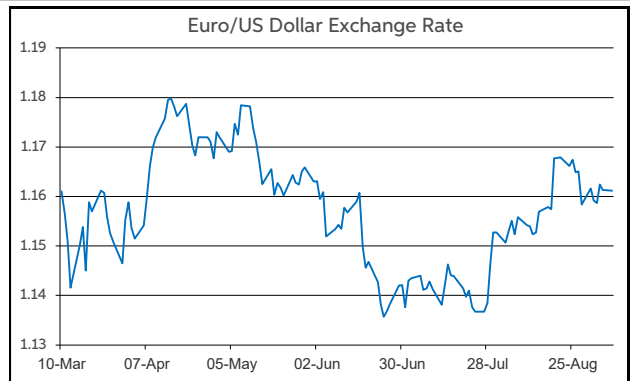
There was a cautious tone to investor sentiment throughout last week, amid a resumption of military strikes in the US-Iran war and continued volatility in the bond market. This saw Brent crude oil prices rise by over 5% to \$95 per barrel (it is currently at \$98bbl). Meantime, long-dated sovereign bond yields rose to multi-year highs in the US, Europe and Japan. Against this backdrop, the Euro Stoxx 50 shed 1.4%, while the S&P 500 finished flat for the week.

Market interest rate expectations were also volatile last week. Remarks from a number of prominent central bank officials and significant data releases impacted pricing. In the US, the Fed's Waller and Williams were less hawkish than anticipated. However, US payrolls were stronger than expected (+156k vs. 56k f'cast). As a result, markets raised the probability of a Fed rate hike later this month to 55% from 40% earlier in the week. In the Eurozone, HICP inflation rose to 3.3% in August but the core rate remained consistent with muted underlying inflation. Nevertheless, the market is now pricing in 75bps of rate hikes by the end of Q2 2027.

On the currency front, with the exception of the yen, the other majors were tightly range bound for most of last week. Meantime, the yen appreciated markedly, indicating authorities may have intervened in the market once again. Of the limited action to register elsewhere, sterling was under some slight downward pressure, while the euro was marginally stronger. EUR/USD starts this week above \$1.16, while EUR/GBP is in the top half of 85-86p. USD/JPY is operating back below the ¥156 threshold.

This week, the spotlight will be on the ECB policy meeting. A 25bps rate hike is expected. Data-wise, US CPI inflation will warrant close attention and may impact expectations for the Fed policy meeting this month. The conflict in the Middle East will also be in focus.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1612	-0.12	-1.13
EUR/GBP	0.8589	-0.01	-1.45
GBP/USD	1.3516	-0.10	0.32
GBP/EUR	1.1639	0.01	1.47
USD/JPY	155.85	-0.29	-0.51
EUR/JPY	181	-0.41	-1.63

* 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	3.75	3.82	4.14	4.50	4.54
EUR	2.25	2.36	2.68	3.06	3.19	3.25
GBP	3.75	3.74	3.80	4.20	4.57	4.68

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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

Monday 07 September 2026
06:57 am



Euro

EUR/GBP	0.8589
EUR/USD	1.1612
EUR/JPY	181
EUR/SEK	11.1238
EUR/DKK	7.4749
EUR/NOK	10.7926
EUR/CHF	0.941
EUR/AUD	1.6107
EUR/HKD	9.1026
EUR/CAD	1.6061

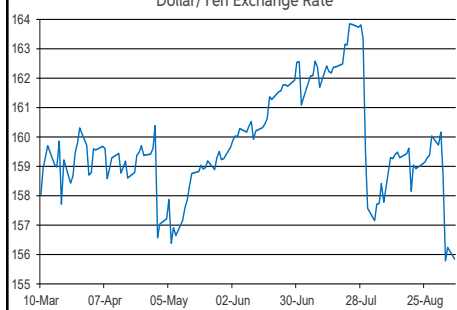
Sterling

GBP/EUR	1.1639
GBP/USD	1.3516
GBP/CAD	1.8691
GBP/NZD	2.2989
GBP/JPY	210.65
GBP/SEK	12.9476
GBP/DKK	8.698
GBP/NOK	12.56
GBP/CHF	1.0953
GBP/AUD	1.8744

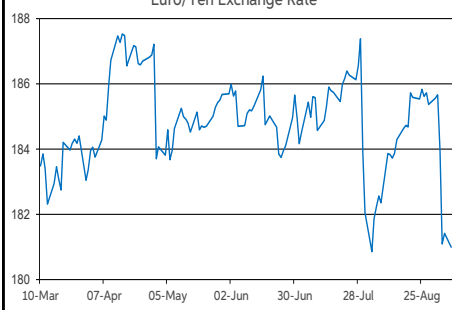
Dollar

USD/JPY	155.85
USD/CAD	1.383
USD/CHF	0.8102
USD/CNY	6.7107
USD/BRL	5.1251
USD/RUB	85.7588
USD/INR	94.4275
AUD/USD	0.7209
NZD/USD	0.5877

Dollar/Yen Exchange Rate

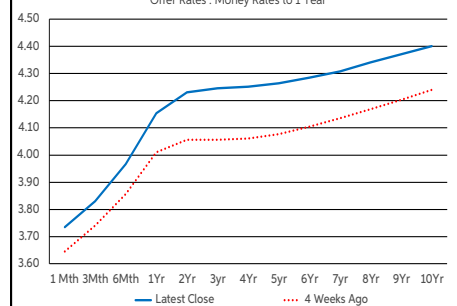


Euro/Yen Exchange Rate



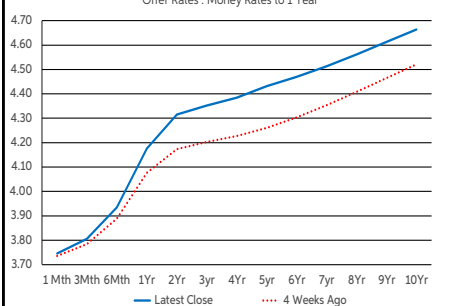
US Swap Curve

Offer Rates : Money Rates to 1 Year



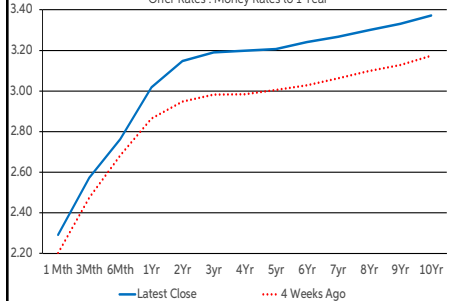
UK Swap Curve

Offer Rates : Money Rates to 1 Year

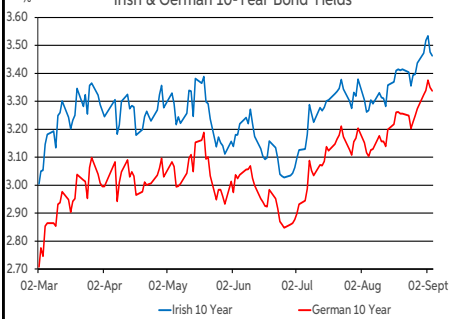


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Day	4 Weeks	End 25
10 Year Yield %				
US	4.78	+2	+13	+63
Germany	3.34	-1	+21	+48
UK	5.13	-1	+21	+66
Ireland	3.46	-1	+17	+44
Belgium	3.89	-0	+24	+54
France	4.19	-2	+27	+63
Italy	4.14	-3	+24	+63
Spain	3.77	-3	+21	+47
Portugal	3.67	-4	+20	+51
Greece	4.00	-3	+22	+52
5 Year Swap %				
US	4.53	+2	+20	+81
Eurozone	3.24	+0	+24	+68
UK	4.67	+0	+18	+77
2 Year Swap %				
US	4.49	+3	+20	+92
Eurozone	3.14	-3	+20	+89
UK	4.57	+0	+16	+84
10 Year Government Bond Spreads to Benchmark bps				
Ireland	13	+0	-4	-4
Belgium	55	+1	+3	+7
France	85	-0	+7	+15
Italy	81	-2	+3	+16
Spain	43	-1	-0	-0
Portugal	33	-2	-1	+4
Greece	66	-2	+1	+5

Commodities

	Close	Day	4 Weeks	End 25
Brent Oil	96.28	+0.80	+15.24	+58.23
West Texas Oil	92.69	+0.15	+16.20	+61.88
Gold \$	4427.7	-1.01	+1.98	+2.63

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