

## Focus on the Fed today

The risk averse tone to investor sentiment persisted yesterday, as oil prices continued to grind higher. Brent crude rose to circa \$108 per barrel. At the same time, bonds remained under pressure. US Treasury yields stayed elevated, with the 10-year continuing to flirt with the 5% level. Elsewhere, long-dated European sovereign yields edged higher. Against this backdrop, the Euro Stoxx 50 and the S&P 500 each shed 0.4%.

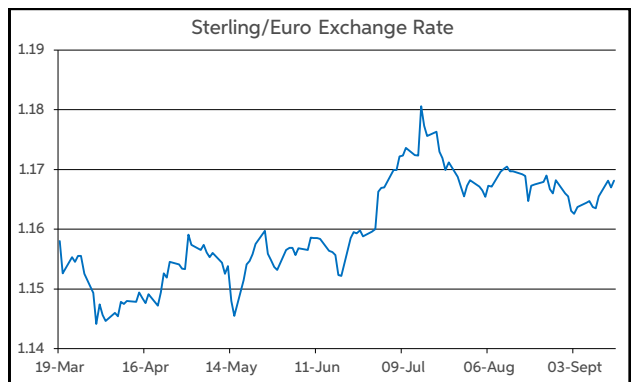
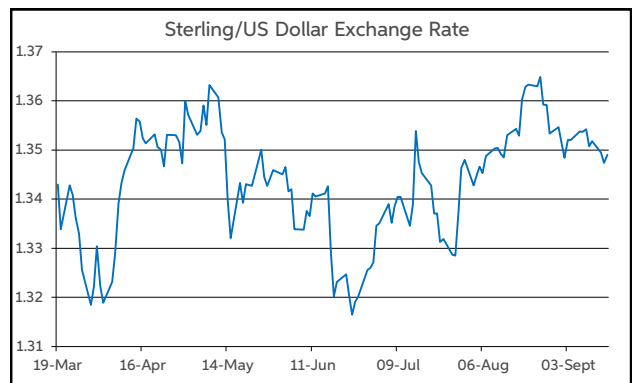
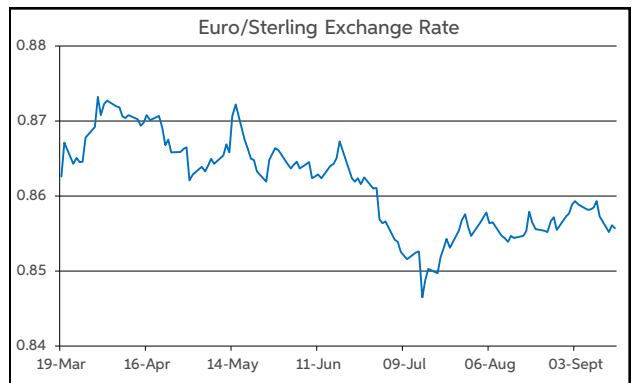
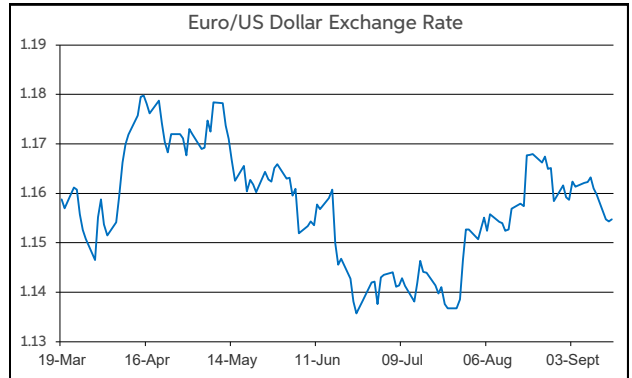
On the currency front, the main pairs continued to operate within very tight ranges over the past 24 hours. A relatively sparse data calendar likely contributed to the muted price action. Of the limited moves to note, the yen remained on the defensive. It depreciated by 0.3-0.4% versus the euro and the dollar yesterday.

In level terms, this is reflected by USD/JPY opening today above the ¥155 threshold. EUR/USD is changing hands near the midpoint of the \$1.15-1.16 band. EUR/GBP continues to operate in the top half of the 85-86p corridor. Meanwhile, GBP/USD is in the upper region of the \$1.34-1.35 range.

Already this morning UK CPI inflation data for August have been released. The headline rate rose to 3.1% but the core rate was unchanged at 2.6%. Both prints were in line with the consensus. The data have not impacted sterling so far in early trading. Later today, US retail sales data for August are due.

However, the main focus today will be on the Fed FOMC policy announcement. Over the past week market rate expectations have firmed markedly. Indeed, current pricing indicates the market now sees a 90% chance of a rate hike today, up from circa 55% last Monday. The post-meeting press conference and updated Summary of Economic Projections will also warrant close attention.

**Daniel Noonan, Economist, AIB**



| Today's Opening FX Rates |        |          |          |
|--------------------------|--------|----------|----------|
|                          |        | % Change |          |
|                          |        | Day *    | End 2025 |
| EUR/USD                  | 1.1547 | 0.10     | -1.69    |
| EUR/GBP                  | 0.8562 | 0.09     | -1.76    |
| GBP/USD                  | 1.3483 | 0.01     | 0.07     |
| GBP/EUR                  | 1.1675 | -0.09    | 1.79     |
| USD/JPY                  | 155.17 | 0.28     | -0.94    |
| EUR/JPY                  | 179.19 | 0.39     | -2.61    |

\* 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         | 3.88  | 3.97 | 4.39       | 4.82 | 4.82 |
| EUR                    | 2.50         | 2.39  | 2.66 | 3.31       | 3.50 | 3.52 |
| GBP                    | 3.75         | 3.75  | 3.85 | 4.43       | 4.92 | 4.99 |

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

Wednesday 16 September 2026  
07:03 am



## Euro

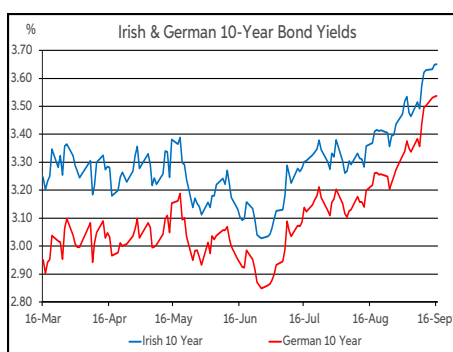
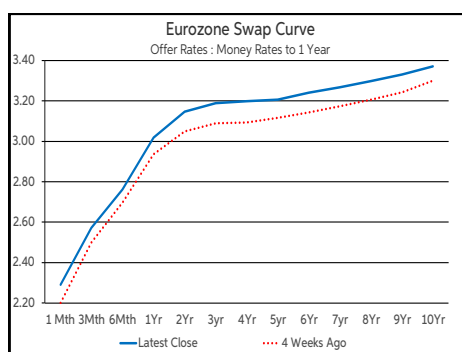
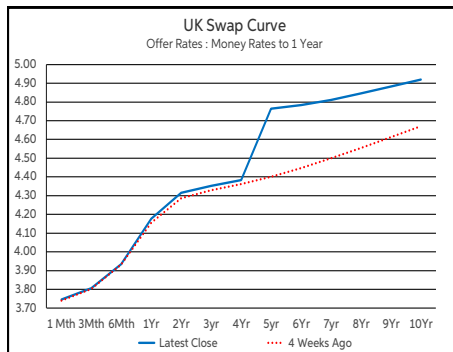
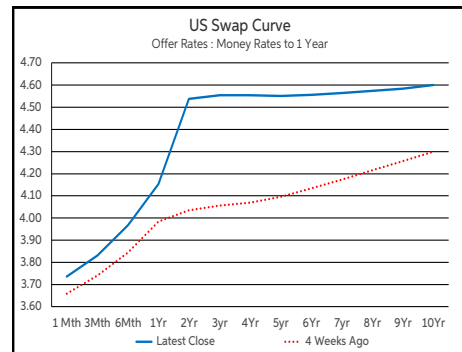
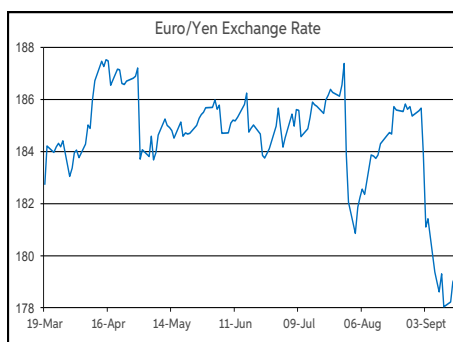
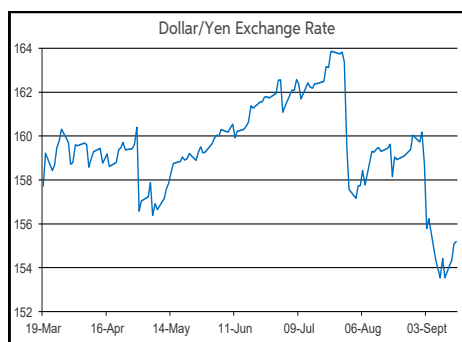
|         |         |
|---------|---------|
| EUR/GBP | 0.8562  |
| EUR/USD | 1.1547  |
| EUR/JPY | 179.19  |
| EUR/SEK | 11.2786 |
| EUR/DKK | 7.4753  |
| EUR/NOK | 10.7707 |
| EUR/CHF | 0.9447  |
| EUR/AUD | 1.619   |
| EUR/HKD | 9.0583  |
| EUR/CAD | 1.6075  |

## Sterling

|         |         |
|---------|---------|
| GBP/EUR | 1.1675  |
| GBP/USD | 1.3483  |
| GBP/CAD | 1.8769  |
| GBP/NZD | 2.3429  |
| GBP/JPY | 209.22  |
| GBP/SEK | 13.1677 |
| GBP/DKK | 8.728   |
| GBP/NOK | 12.574  |
| GBP/CHF | 1.1032  |
| GBP/AUD | 1.8903  |

## Dollar

|         |         |
|---------|---------|
| USD/JPY | 155.17  |
| USD/CAD | 1.3922  |
| USD/CHF | 0.818   |
| USD/CNY | 6.7081  |
| USD/BRL | 5.1532  |
| USD/RUB | 84.3983 |
| USD/INR | 95.935  |
| AUD/USD | 0.713   |
| NZD/USD | 0.5752  |



## Debt Markets

|                                                         | Close | Change bps |         |        |
|---------------------------------------------------------|-------|------------|---------|--------|
|                                                         |       | Day        | 4 Weeks | End 25 |
| <b>10 Year Yield %</b>                                  |       |            |         |        |
| US                                                      | 5.00  | +4         | +29     | +84    |
| Germany                                                 | 3.53  | +0         | +27     | +67    |
| UK                                                      | 5.39  | +2         | +30     | +92    |
| <b>5 Year Swap %</b>                                    |       |            |         |        |
| US                                                      | 4.80  | -1         | +45     | +108   |
| Eurozone                                                | 3.52  | +4         | +41     | +96    |
| UK                                                      | 4.98  | +1         | +36     | +109   |
| <b>2 Year Swap %</b>                                    |       |            |         |        |
| US                                                      | 4.78  | -2         | +50     | +120   |
| Eurozone                                                | 3.49  | +2         | +45     | +123   |
| UK                                                      | 4.91  | +2         | +40     | +118   |
| <b>10 Year Government Bond Spreads to Benchmark bps</b> |       |            |         |        |
| Ireland                                                 | 12    | +1         | -3      | -5     |
| Belgium                                                 | 62    | -1         | +6      | +14    |
| France                                                  | 96    | +2         | +11     | +27    |
| Italy                                                   | 88    | +1         | +6      | +23    |
| Spain                                                   | 47    | +2         | +2      | +4     |
| Portugal                                                | 38    | -0         | +2      | +8     |
| Greece                                                  | 75    | -0         | +9      | +14    |

## Commodities

|                | % Change |       |         |        |
|----------------|----------|-------|---------|--------|
|                | Close    | Day   | 4 Weeks | End 25 |
| Brent Oil      | 108.75   | +2.90 | +19.48  | +78.72 |
| West Texas Oil | 107.02   | +4.49 | +23.75  | +86.90 |
| Gold \$        | 4292.7   | -0.12 | -0.94   | -0.50  |

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