

Flash PMIs due this week

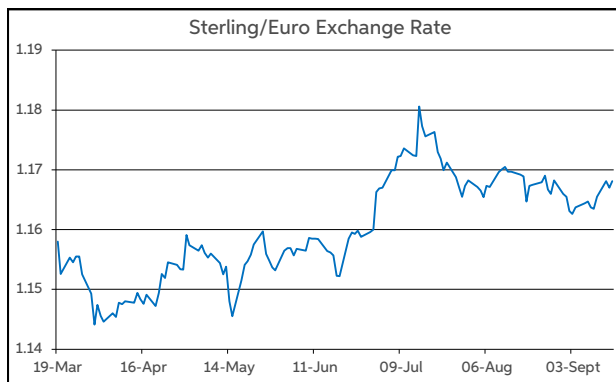
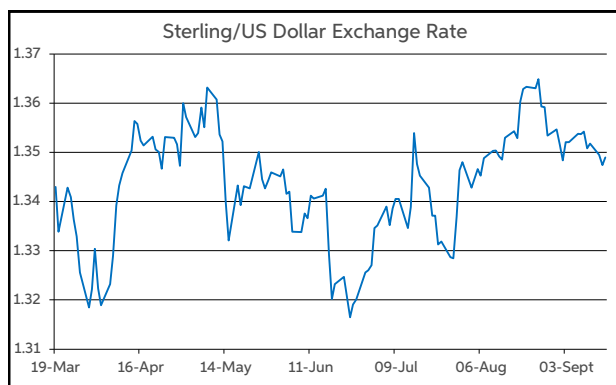
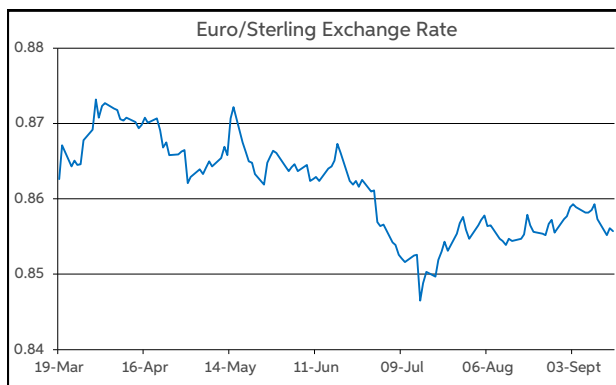
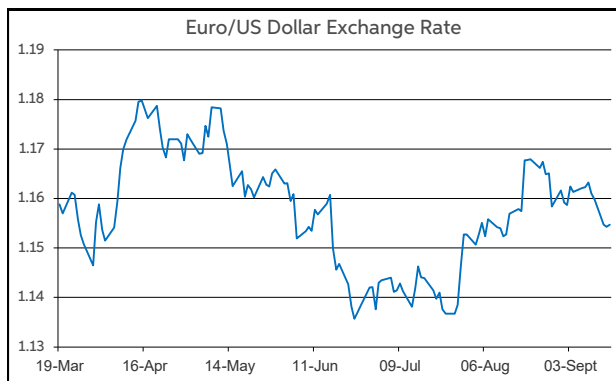
Throughout last week, monetary policy was very much in focus. The Fed hiked rates by 25bps as expected. Meantime, remarks from Chair Warsh and the updated interest rate dotplot indicate that further tightening is likely from the Fed this year. At the same time, the BoJ also hiked rates by 25bps. Sandwiched in between both of those decisions, the BoE left rates on hold as anticipated. The meeting statement/minutes though, suggest the BoE is poised to hike rates as soon as its next meeting in early November.

Unsurprisingly, given the hawkish soundings from the central banks, market interest rate expectations firmed across the board last week. Futures pricing indicates that the market expects three rate hikes from the Fed by the end of next year, and up to four hikes from the ECB, BoE and BoJ over the same period. The changes in market interest rate expectations had a knock on effect on bond markets. Short-dated sovereign bond yields rose by 5-15bps (reflecting higher near-term policy rates) whereas long-dated yields declined by 5-20bps (suggesting a reduction in inflation concerns).

Elsewhere on markets, oil prices remained elevated, albeit they ended the week down circa 4%, with Brent crude near \$103 per barrel. Currency-wise, the dollar strengthened markedly in the aftermath of the Fed policy decision. Meantime, the yen was on the defensive. In level terms, this sees EUR/USD open today below \$1.15. USD/JPY is up above ¥157. At the same time, EUR/GBP is in the top half of the 85-86p range.

Turning to the week ahead, the macro data calendar is relatively light on both sides of the Atlantic. The main data highlight will be the flash PMIs for September. Remarks from a raft of central bank officials will also warrant attention, while developments in the Middle East may also influence proceedings on markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1471	-0.13	-2.33
EUR/GBP	0.8576	-0.16	-1.59
GBP/USD	1.3372	0.04	-0.75
GBP/EUR	1.1655	0.16	1.62
USD/JPY	157.04	-0.06	0.25
EUR/JPY	180.19	-0.18	-2.07

* 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	3.88	3.89	4.02	4.47	4.90	4.85
EUR	2.50	2.47	2.62	3.33	3.51	3.52
GBP	3.75	3.72	3.85	4.44	4.89	4.95

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 21 September 2026
07:00 am



Euro

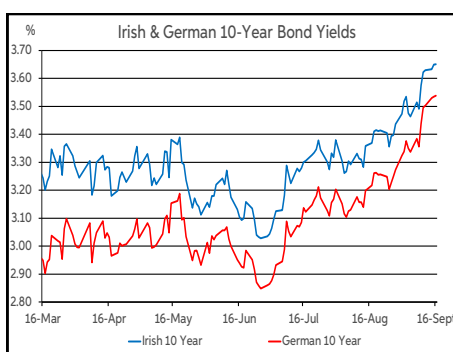
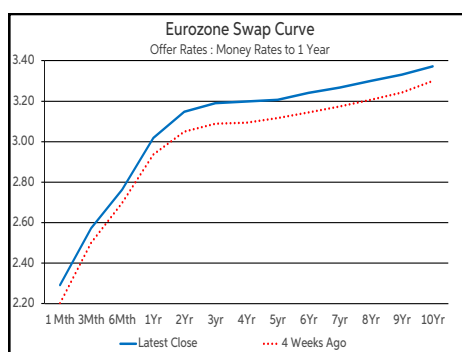
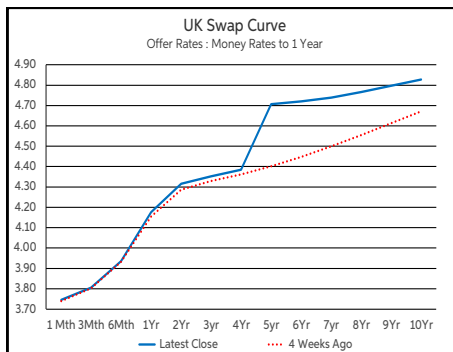
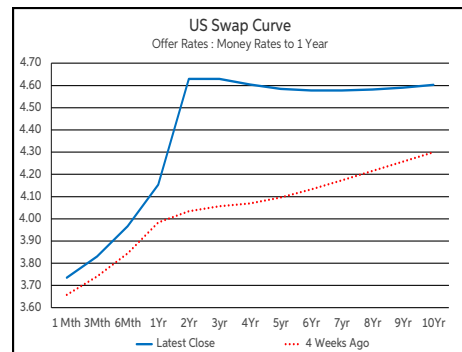
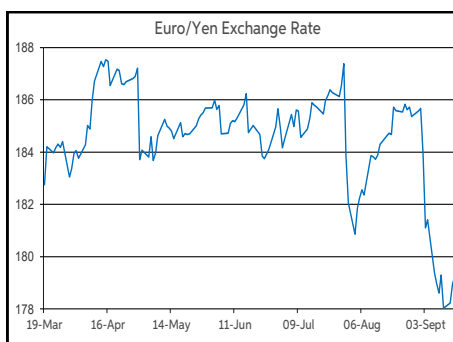
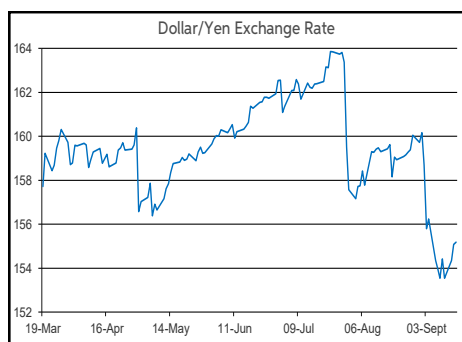
EUR/GBP	0.8576
EUR/USD	1.1471
EUR/JPY	180.19
EUR/SEK	11.2889
EUR/DKK	7.4755
EUR/NOK	10.8047
EUR/CHF	0.9443
EUR/AUD	1.6103
EUR/HKD	9.0002
EUR/CAD	1.6077

Sterling

GBP/EUR	1.1653
GBP/USD	1.337
GBP/CAD	1.8738
GBP/NZD	2.3382
GBP/JPY	209.96
GBP/SEK	13.1557
GBP/DKK	8.712
GBP/NOK	12.593
GBP/CHF	1.1007
GBP/AUD	1.8772

Dollar

USD/JPY	157.04
USD/CAD	1.4015
USD/CHF	0.8231
USD/CNY	6.6957
USD/BRL	5.1445
USD/RUB	84.6196
USD/INR	95.79
AUD/USD	0.712
NZD/USD	0.5716



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	5.00	+5	+26	+84
Germany	3.52	+4	+27	+66
UK	5.30	+7	+23	+82
5 Year Swap %				
US	4.85	+7	+44	+112
Eurozone	3.51	+2	+39	+95
UK	4.94	+6	+34	+104
2 Year Swap %				
US	4.87	+6	+52	+130
Eurozone	3.51	+4	+46	+126
UK	4.89	+5	+40	+116
10 Year Government Bond Spreads to Benchmark bps				
Ireland	9	-1	-7	-7
Belgium	65	+4	+8	+17
France	104	+8	+17	+34
Italy	92	+5	+8	+27
Spain	47	+1	+2	+4
Portugal	38	+1	+0	+8
Greece	77	+0	+11	+15

Commodities				
	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	103.87	-0.91	+10.04	+70.70
West Texas Oil	101.44	-1.71	+16.32	+77.16
Gold \$	4376.9	+0.85	-4.90	+1.46

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