Morning Comment

AIB Treasury Economic Research Unit

Monday 14 September 2026
06:59 am

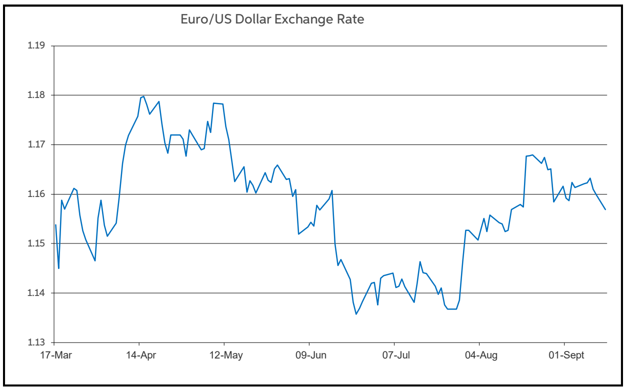
Middle East and Central Banks in focus this week

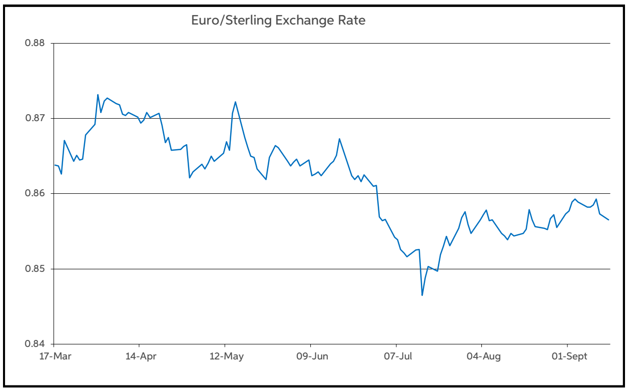
Concerns over the potential for a prolonged conflict in the Middle East and the risks this entails for inflation, the global economy and government finances dominated the market discourse and action last week. An escalation in military strikes and the subsequent sharp move higher in oil prices (Brent crude traded to a high near $110 per barrel) heightened these concerns among market participants. As a result, there was a risk-averse tone to market sentiment last week. Both equity and bonds came under selling pressure. On Wall Street, the S&P 500 was 0.8% lower on the week. Meanwhile, bond yields rose significantly across the board.

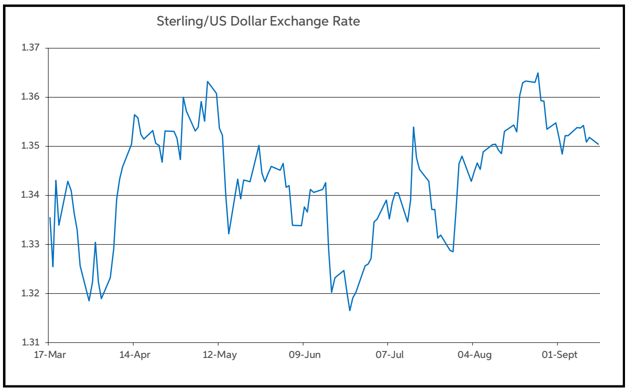
From a currency perspective, apart from some yen-related volatility/ strength, price movements amongst the other majors were generally subdued. EUR/USD traded in a $1.155-1.165 range, while GBP/USD operated within $1.348-1.356. Elsewhere, EUR/GBP changed hands in a very narrow 85.60-85.99p range. Meanwhile, further yen strength saw USD/JPY trade as low as ¥152.9.

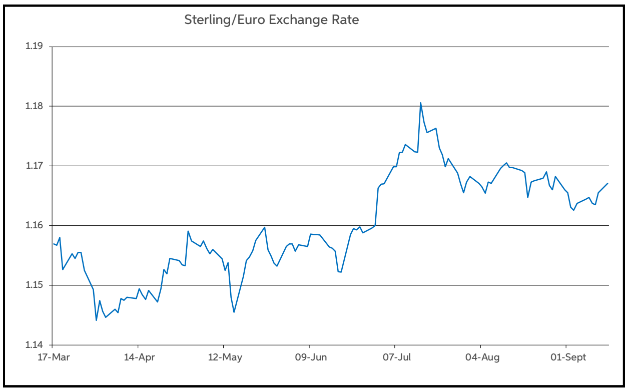
Looking ahead to this week, given the recent developments in the Middle East conflict and their subsequent market impact, the war will remain a potential source of volatility over the coming days. In terms of the macro calendar, there is a monetary policy theme to proceedings with several key central bank meetings taking place.

The highlight will be the Fed policy decision. The market is currently very confident of a 25bps hike, attaching an 85% probability to such an outcome. However, the Fed, under new Chair Warsh, could surprise and leave rates on hold. Therefore, the meeting presents some two-way risk for the dollar. From a sterling viewpoint, the BoE is expected to remain on hold. Meanwhile, a 25bps rate increase is anticipated from the BoJ, and the market will be looking for this and hawkish guidance to reinforce the yen's recent momentum.
John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1569	-0.30	-1.50
EUR/GBP	0.8565	-0.33	-1.72
GBP/USD	1.3504	0.02	0.23
GBP/EUR	1.1671	0.33	1.75
USD/JPY	154	-0.21	-1.69
EUR/JPY	178.19	-0.51	-3.15

* 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	3.63	3.86	3.95	4.36	4.80	4.78
EUR	2.25	2.39	2.65	3.21	3.42	3.47
GBP	3.75	3.77	3.87	4.45	4.87	4.94

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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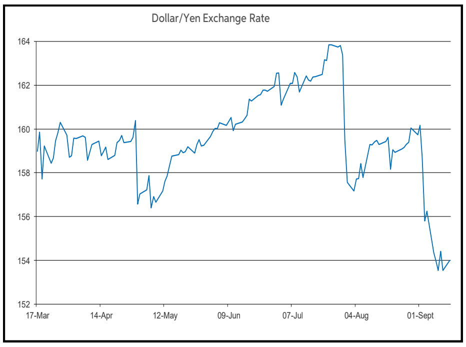
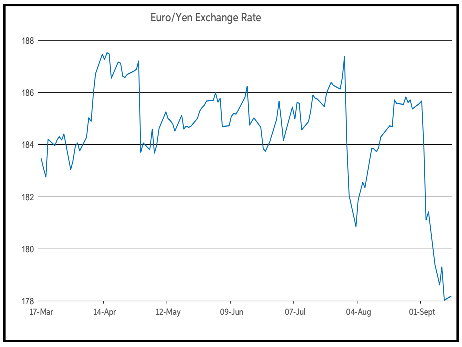
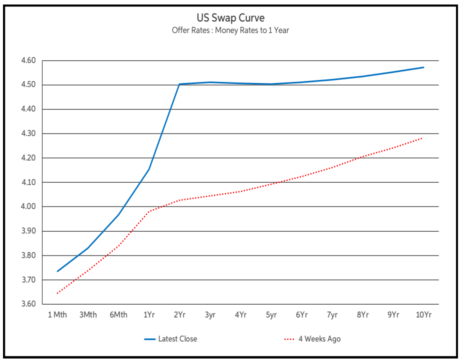
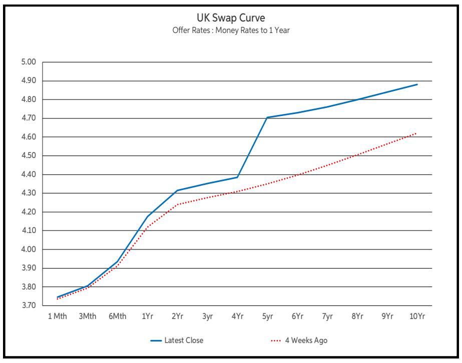
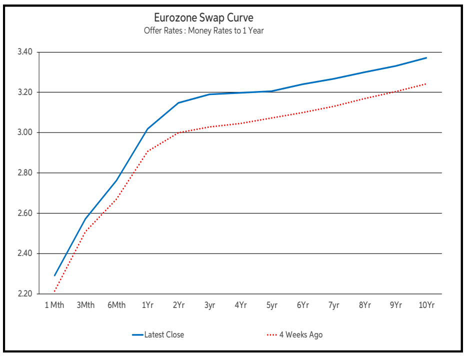
Euro		Sterling		Dollar	
EUR/GBP	0.8565	GBP/EUR	1.1671	USD/JPY	154
EUR/USD	1.1569	GBP/USD	1.3504	USD/CAD	1.3872
EUR/JPY	178.19	GBP/CAD	1.8732	USD/CHF	0.8175
EUR/SEK	11.2594	GBP/NZD	2.3324	USD/CNY	6.7056
EUR/DKK	7.4752	GBP/JPY	207.95	USD/BRL	5.1264
EUR/NOK	10.7673	GBP/SEK	13.142	USD/RUB	84.2462
EUR/CHF	0.9458	GBP/DKK	8.7246	USD/INR	95.55
EUR/AUD	1.6182	GBP/NOK	12.5686		
EUR/HKD	9.0744	GBP/CHF	1.104	AUD/USD	0.7146
EUR/CAD	1.6051	GBP/AUD	1.8889	NZD/USD	0.5787

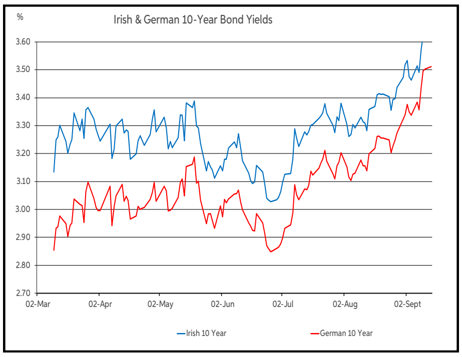












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.98	+3	+28	+82
Germany	3.50	+1	+30	+64
UK	5.35	-3	+31	+87
Ireland	3.63	+1	+27	+60
Belgium	4.11	-1	+35	+76
France	4.45	+2	+41	+89
Italy	4.35	-4	+36	+84
Spain	3.96	-2	+31	+67
Portugal	3.87	+0	+31	+71
Greece	4.23	+4	+41	+75
5 Year Swap %				
US	4.76	+2	+41	+104
Eurozone	3.44	-2	+37	+88
UK	4.94	-4	+35	+104
2 Year Swap %				
US	4.75	+5	+48	+117
Eurozone	3.39	-2	+39	+113
UK	4.86	-6	+39	+113
10 Year Government Bond Spreads to Benchmark bps				
Ireland	13	+0	-3	-4
Belgium	60	-2	+5	+12
France	94	+1	+10	+25
Italy	85	-4	+5	+20
Spain	46	-2	+1	+3
Portugal	37	-1	+1	+7
Greece	73	+4	+10	+11

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	104.61	-2.81	+18.18	+71.91
West Texas Oil	101.27	-2.22	+20.57	+76.86
Gold $	4347.3	+0.73	-0.65	+0.77

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