Monday 16 November 2026
07:23 am

Morning Comment

AIB Treasury Economic Research Unit

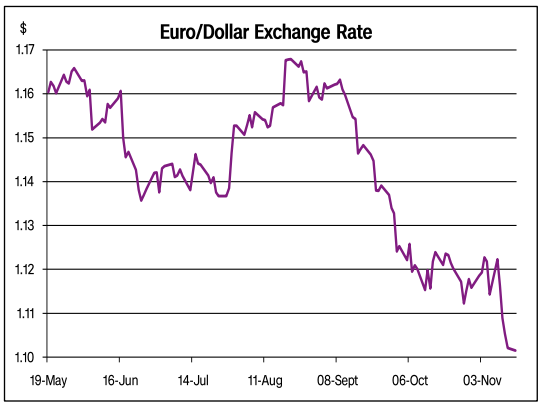
Dollar in the ascendancy amid firming in US rates

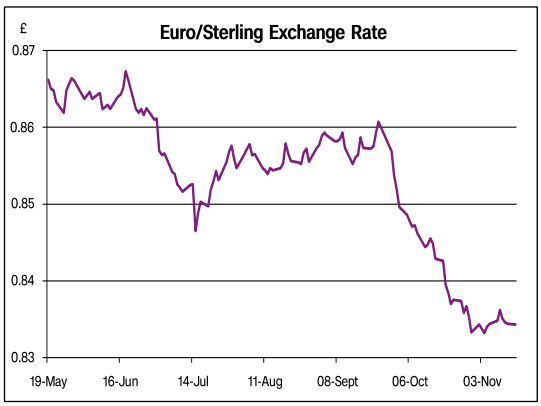
A notable feature of the action on financial markets last week was the firming in US rate expectations and swap rates. This was on the back of 'hotter' than anticipated CPI data for October, as well as hawkish rhetoric from a plethora of Fed speakers, including one FOMC member who did not rule out a 50bps rate hike at the Fed's next meeting in December. Futures contracts moved to price in around 90bps of US rate hikes by the end of 2027, an increase of around 40bps over the course of the week. There was a firming in rate expectations elsewhere as well, albeit to a lesser extent. UK futures contracts adjusted to price in around 90bps of tightening from the BoE over the next 12 months (+25bps change on week). Meanwhile, in the Eurozone, there was around a 20bps hardening in rate expectations, with circa 70bps of rate increases envisaged by end-2027.

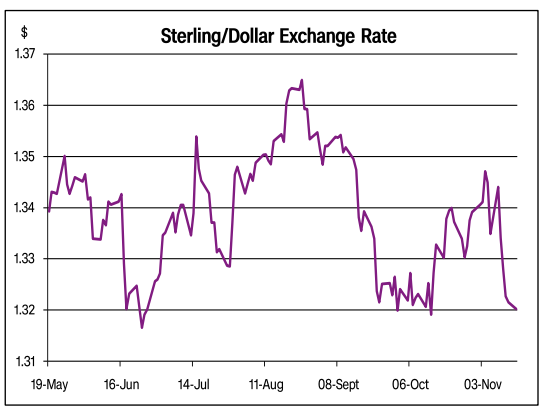
From a currency perspective, the movement in interest rate differentials has been favourable for the dollar. The greenback has gained around 1.5% on the exchanges. In level terms, EUR/USD opens this morning at a new YTD low of $1.101, while GBP/USD is down at the $1.32 mark. USD/JPY is trading within the ¥159-160 band. Elsewhere, the action in EUR/GBP has been less eventful, confined to a narrow range around the midpoint of 83-84p.

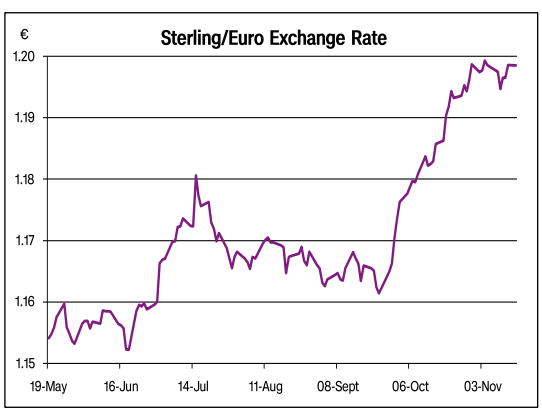
Looking ahead to this week, any developments in relation to the Middle East conflict will remain a potential source of direction for markets. Data-wise, in the US, October retail sales figures will provide an early read on how the all-important consumer spending side of the economy performed at the start of Q4. In light of last week's hawkish remarks from a raft of Fed speakers, the October FOMC minutes and another busy calendar of Fed speakers (incl. Chair Warsh) over the coming days will be closely followed. The UK diary is packed full of key releases. CPI inflation for October will be assessed for any signs of second-round effects from the energy price shock. There are also data on the labour market and retail sales covering the September-October period. In contrast, the Eurozone macro schedule is sparse, with industrial production data for September the main highlight.

John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1015	-0.39	-6.22
EUR/GBP	0.8343	-0.19	-4.27
GBP/USD	1.3202	-0.20	-2.01
GBP/EUR	1.1979	+0.19	4.46
USD/JPY	159.47	-0.31	1.80
EUR/JPY	175.68	-0.69	-4.52

* 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	3.88	3.97	4.17	4.62	5.01	4.97
EUR	2.50	2.48	2.78	3.27	3.41	3.41
GBP	4.00	3.99	4.15	4.65	5.02	5.03

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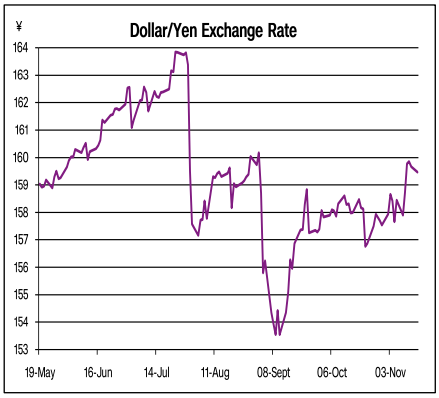
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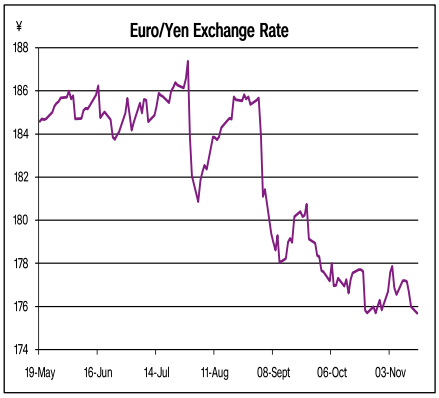
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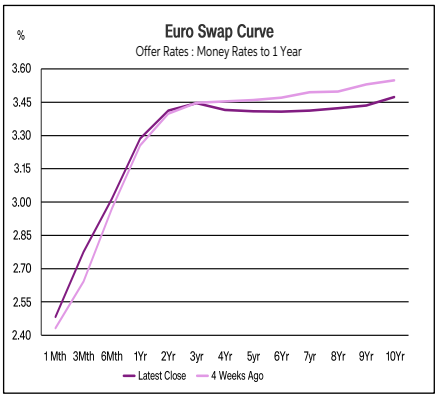
Opening Levels

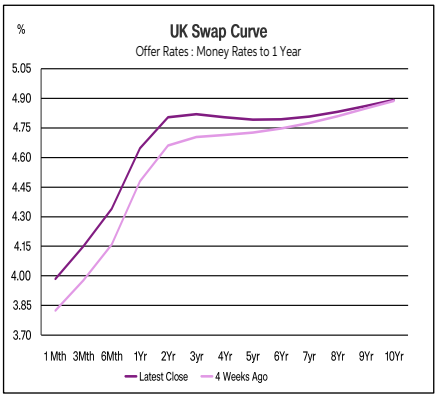
Today's Opening Rates

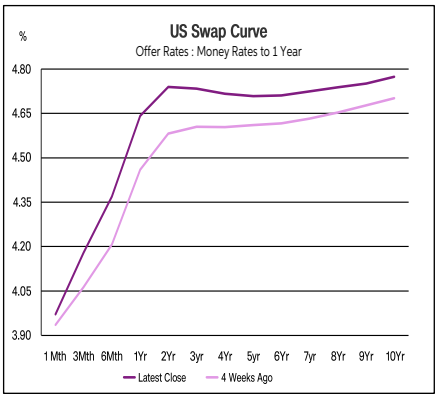
Euro		Sterling		Dollar	
EUR/GBP	0.8343	GBP/EUR	1.1979	USD/JPY	159.47
EUR/USD	1.1015	GBP/USD	1.3202	USD/CAD	1.4276
EUR/JPY	175.68	GBP/CAD	1.8844	USD/CHF	0.8394
EUR/SEK	11.1024	GBP/NZD	2.3908	USD/CNY	6.6693
EUR/DKK	7.4757	GBP/JPY	210.53	USD/BRL	5.667
EUR/NOK	10.5439	GBP/SEK	13.304	USD/RUB	82.2555
EUR/CHF	0.9247	GBP/DKK	8.9564	USD/INR	94.05
EUR/AUD	1.6291	GBP/NOK	12.6365		
EUR/HKD	8.6399	GBP/CHF	1.108	AUD/USD	0.6759
EUR/CAD	1.5727	GBP/AUD	1.9524	NZD/USD	0.5518

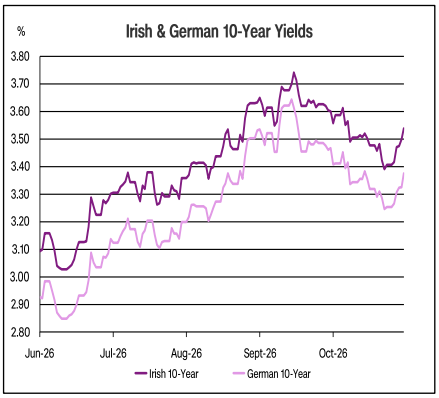












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	5.15	+5	+5	+100
Germany	3.38	+5	-3	+51
UK	5.34	+3	-4	+87
Ireland	3.54	+4	-5	+51
Belgium	4.35	+6	+10	+101
France	4.93	+9	+14	+137
Italy	4.44	+5	-4	+93
Spain	3.94	+4	-7	+65
Portugal	3.82	+5	-5	+66
Greece	4.26	+9	-6	+78
5 Year Swap %				
US	4.96	+1	+10	+123
Eurozone	3.40	+3	-6	+84
UK	5.02	+2	+2	+113
2 Year Swap %				
US	4.98	-2	+17	+141
Eurozone	3.41	+2	+1	+115
UK	5.03	-1	+10	+130
10 Year Government Bond Spreads to Benchmark bps				
Ireland	16	-1	-1	-0
Belgium	98	+1	+1	+13
France	155	+4	+4	+18
Italy	106	-0	-0	-1
Spain	57	-1	-1	-3
Portugal	44	-1	-2	+15
Greece	89	+4	-3	-3

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	95.84	+0.02	-12.76	+57.50
West Texas Oil	89.81	-0.20	-12.73	+56.85
Gold $	3880.3	+0.10	-6.84	-10.06

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