Morning Comment

AIB Treasury Economic Research Unit

Monday 21 September 2026
07:00 am

Flash PMIs due this week

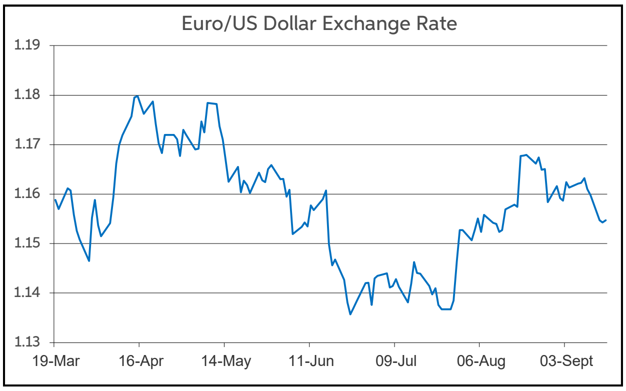
Throughout last week, monetary policy was very much in focus. The Fed hiked rates by 25bps as expected. Meantime, remarks from Chair Warsh and the updated interest rate dotplot indicate that further tightening is likely from the Fed this year. At the same time, the BoJ also hiked rates by 25bps. Sandwiched 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.

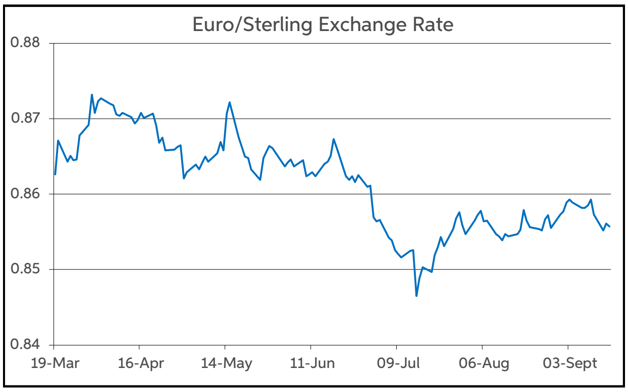
Unsurprisingly, given the hawkish soundings from the central banks, market interest rate expectations firmed across the board last week. Futures pricing indicates that the market expects three rate hikes from the Fed by the end of next year, and up to four hikes from the ECB, BoE and BoJ over the same 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).

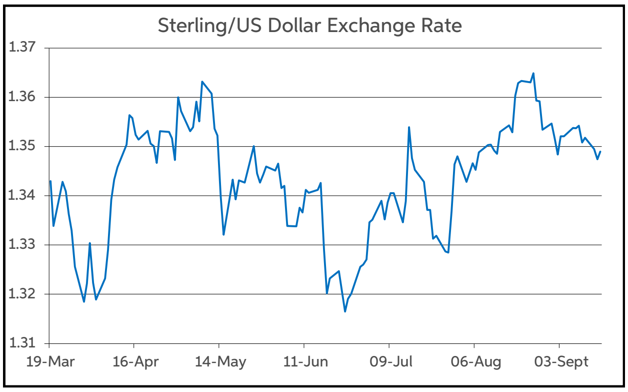
Elsewhere on markets, oil prices remained elevated, albeit they ended the week down circa 4%, with Brent crude near $103 per barrel. Currency-wise, the dollar strengthened markedly in the aftermath of the Fed policy decision. Meantime, the yen was on the defensive. In level terms, this sees EUR/USD open 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.

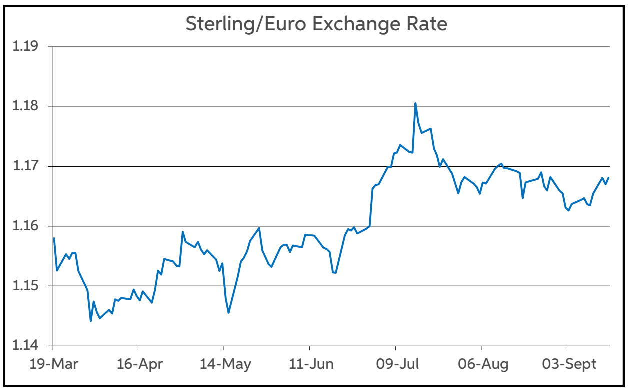
Turning to the week ahead, the macro data calendar is relatively light on both sides of the Atlantic. The main data highlight will be the flash PMIs for September. Remarks from a raft of central bank officials will also warrant attention, while developments in the Middle East may also influence proceedings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

		Money Market		Swap Rates		
	Base Rate	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

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Opening Levels

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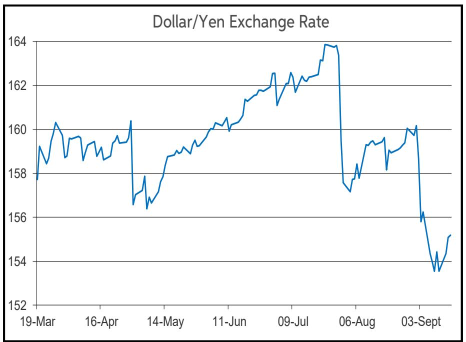
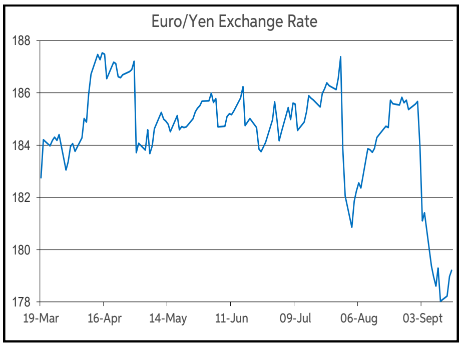
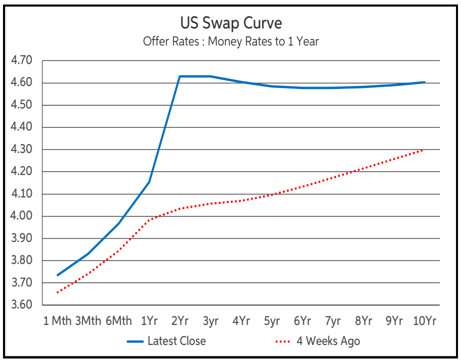
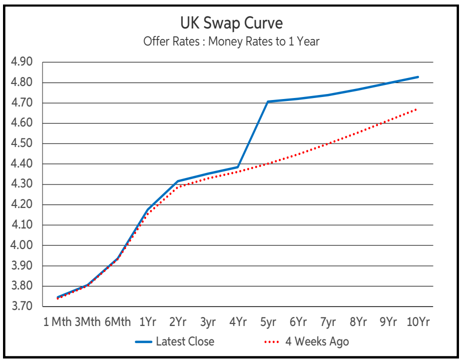
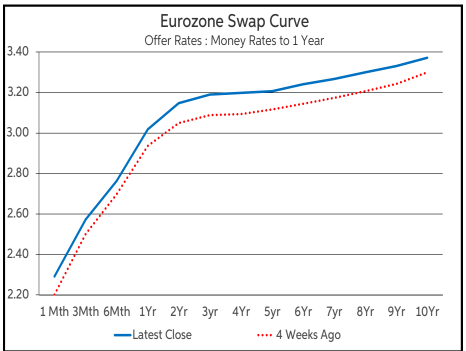
Euro		Sterling		Dollar	
EUR/GBP	0.8576	GBP/EUR	1.1653	USD/JPY	157.04
EUR/USD	1.1471	GBP/USD	1.337	USD/CAD	1.4015
EUR/JPY	180.19	GBP/CAD	1.8738	USD/CHF	0.8231
EUR/SEK	11.2889	GBP/NZD	2.3382	USD/CNY	6.6957
EUR/DKK	7.4755	GBP/JPY	209.96	USD/BRL	5.1445
EUR/NOK	10.8047	GBP/SEK	13.1557	USD/RUB	84.6196
EUR/CHF	0.9443	GBP/DKK	8.712	USD/INR	95.79
EUR/AUD	1.6103	GBP/NOK	12.593		
EUR/HKD	9.0002	GBP/CHF	1.1007	AUD/USD	0.712
EUR/CAD	1.6077	GBP/AUD	1.8772	NZD/USD	0.5716

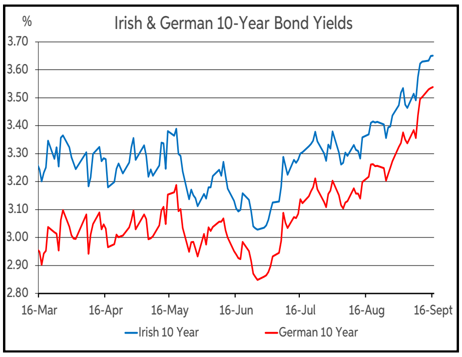












Debt Markets

	Close	Change bps Day	Change bps 4 Weeks	Change bps End 25
10 Year Yield %				
US	5.00	+5	+26	+84
Germany	3.52	+4	+27	+66
UK	5.30	+7	+23	+82
Ireland	3.61	+3	+20	+59
Belgium	4.17	+8	+34	+83
France	4.56	+12	+44	+100
Italy	4.44	+10	+35	+93
Spain	4.00	+6	+28	+70
Portugal	3.90	+5	+27	+74
Greece	4.29	+5	+37	+81
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	% Change 4 Weeks	% Change 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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