Morning Comment

AIB Treasury Economic Research Unit

Monday 24 August 2026
07:08 am

US inflation and Fed Chair speech in focus this week

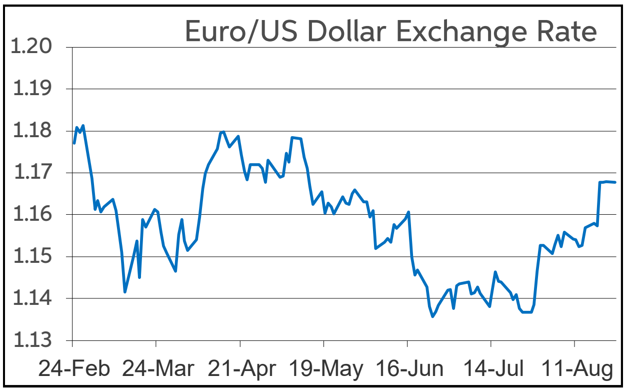
There was a risk-averse tone to investor sentiment for much of last week. This was against the backdrop of concerns that the US-Iran war could develop into a prolonged conflict amid escalatory remarks from both sides. These concerns were clearly evident in the renewed upward pressure on oil prices. Brent crude traded to a high just below $95 per barrel before finishing the week nearer to $94 p/b. This contrasted with the $88-89 p/b range at the start of the week. Meanwhile, the risk-off mood was reflected in the falls recorded by the main equity indices on both sides of the Atlantic. In Europe, the Euro Stoxx 50 finished the week 1.2% lower over the period. Meanwhile, by the closing bell on Wall Street on Friday night, the S&P 500 had posted a 1.4% loss on the week.

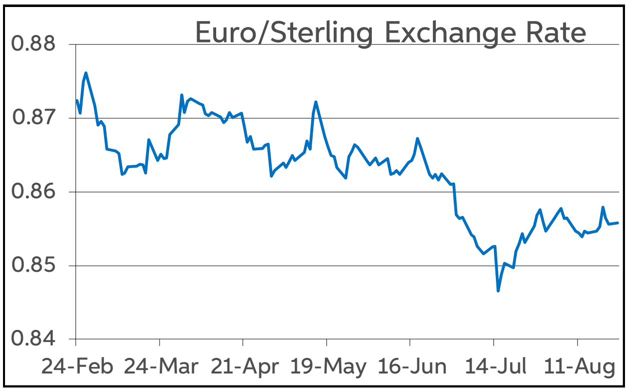
Bond markets also featured prominently last week, with the US Treasury announcing on Wednesday a significantly expanded (at least a doubling, from $2bn to $4bn) liquidity support buyback operation for longer dated US government debt. Initially, yields moved lower on the news. However, this proved short-lived with the 30-year Treasury yield edging back up again towards the 5.3% mark as the week came to a close.

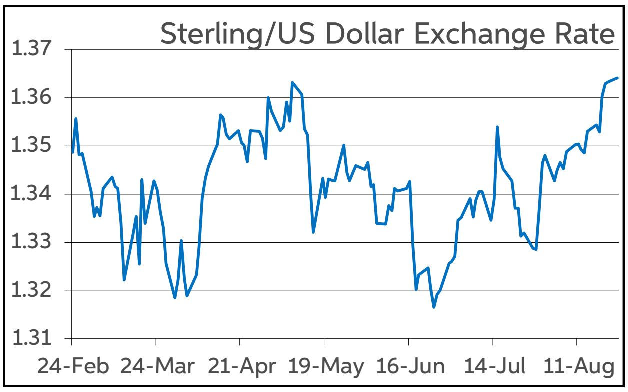
From a currency perspective, the dollar was under some downward pressure amid the news emanating from the US Treasury and subsequent bond market action. The softer dollar tone saw EUR/USD briefly test above $1.17, GBP/USD peak at $1.3675 and USD/JPY fall below ¥159. Elsewhere, EUR/GBP was confined to a tight range just above the midpoint of the 85-86p band.

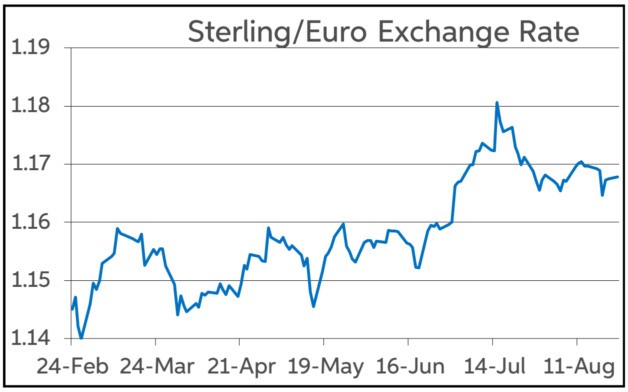
Ahead this week, the Middle East conflict remains a potential source of direction for markets. On the data front, the highlight will be US core-PCE inflation for July. In terms of monetary policy, the spotlight will be on Fed Chair Warsh's speech at Jackson Hole (Fri).

John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1678	-0.12	-0.57
EUR/GBP	0.8558	-0.13	-1.80
GBP/USD	1.3641	-0.01	1.25
GBP/EUR	1.1679	0.13	1.83
USD/JPY	158.86	-0.08	1.41
EUR/JPY	185.56	-0.19	0.85

* 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	3.68	3.75	4.00	4.35	4.40
EUR	2.25	2.22	2.52	2.93	3.05	3.10
GBP	3.75	3.73	3.78	4.13	4.49	4.61

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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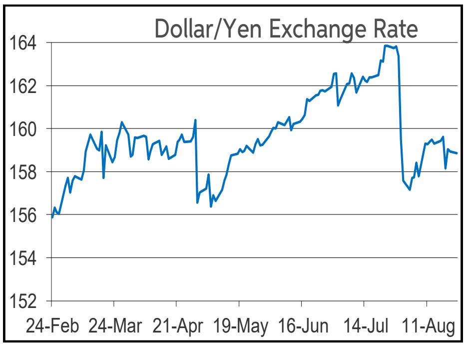
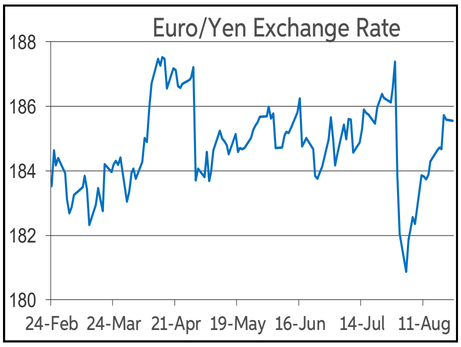
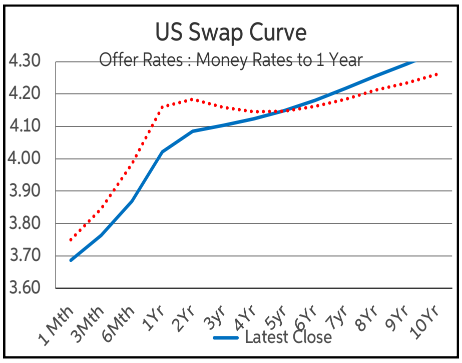
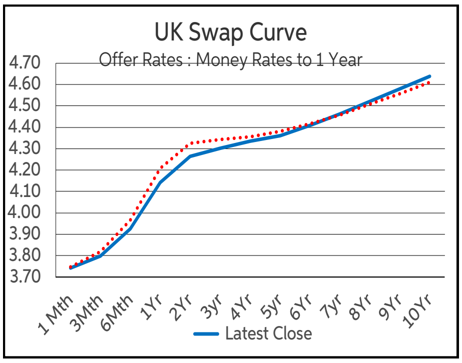
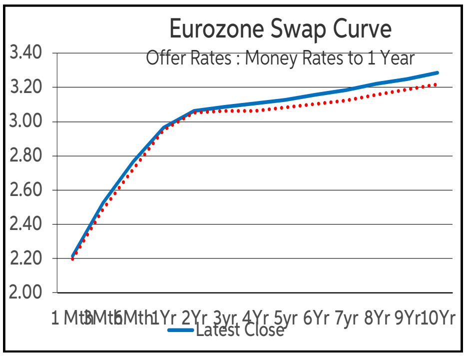
Euro		Sterling		Dollar	
EUR/GBP	0.8558	GBP/EUR	1.1679	USD/JPY	158.86
EUR/USD	1.1678	GBP/USD	1.3641	USD/CAD	1.3806
EUR/JPY	185.56	GBP/CAD	1.8832	USD/CHF	0.8002
EUR/SEK	11.0607	GBP/NZD	2.2819	USD/CNY	6.7231
EUR/DKK	7.4752	GBP/JPY	216.7	USD/BRL	5.1366
EUR/NOK	10.8675	GBP/SEK	12.917	USD/RUB	83.45
EUR/CHF	0.9345	GBP/DKK	8.7293	USD/INR	95.71
EUR/AUD	1.6289	GBP/NOK	12.6914		
EUR/HKD	9.1538	GBP/CHF	1.0916	AUD/USD	0.7167
EUR/CAD	1.6121	GBP/AUD	1.9027	NZD/USD	0.5975

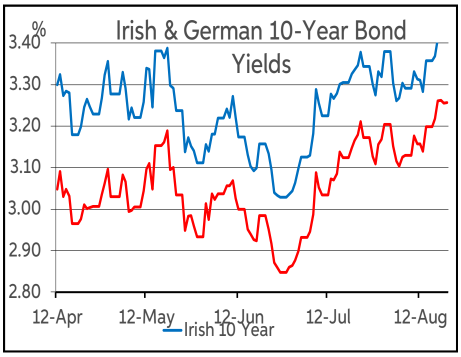












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.74	+4	+6	+59
Germany	3.26	+0	+8	+39
UK	5.07	-0	+3	+59
Ireland	3.41	+0	+7	+39
Belgium	3.83	+0	+10	+48
France	4.13	+0	+16	+57
Italy	4.09	+1	+8	+58
Spain	3.71	+0	+7	+42
Portugal	3.63	+1	+10	+47
Greece	3.92	-1	+1	+44
5 Year Swap %				
US	4.41	+3	+0	+68
Eurozone	3.10	-1	+2	+54
UK	4.60	-2	-1	+71
2 Year Swap %				
US	4.34	+3	-9	+77
Eurozone	3.04	-0	-1	+78
UK	4.48	-2	-8	+75
10 Year Government Bond Spreads to Benchmark bps				
Ireland	16	+0	-1	-1
Belgium	57	+0	+2	+9
France	87	+0	+7	+17
Italy	84	+1	-0	+19
Spain	46	+0	-1	+3
Portugal	38	+1	+2	+8
Greece	66	-1	-7	+4

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	94.39	+0.65	-2.47	+55.12
West Texas Oil	87.21	-2.83	-4.94	+52.31
Gold $	4602.6	+1.88	+13.57	+6.69

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