

# Morning Comment

AIB Treasury Economic Research Unit



Friday 16 January 2026  
07:23 am

## EUR/USD tests below \$1.16 threshold

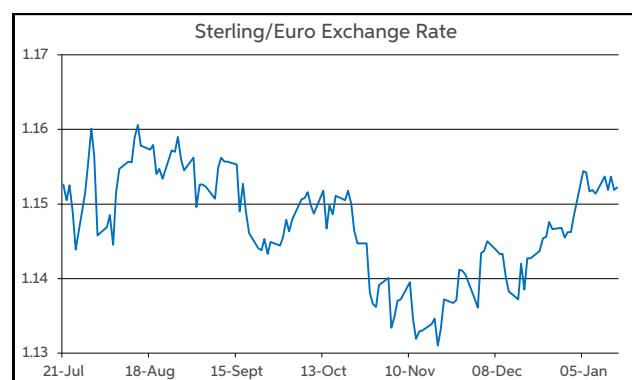
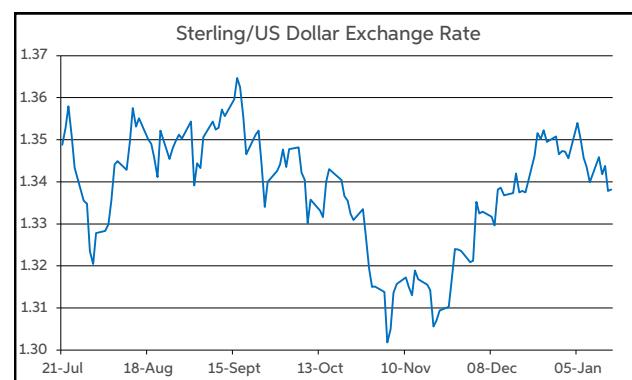
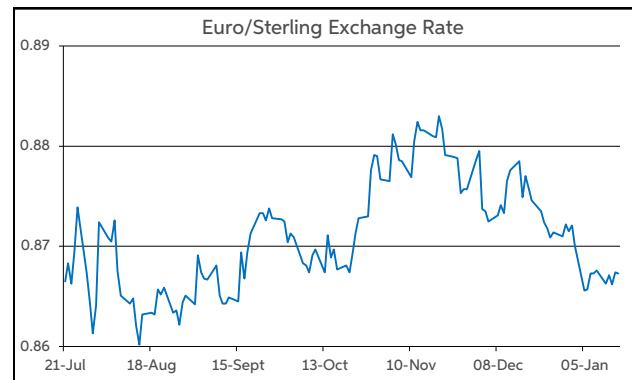
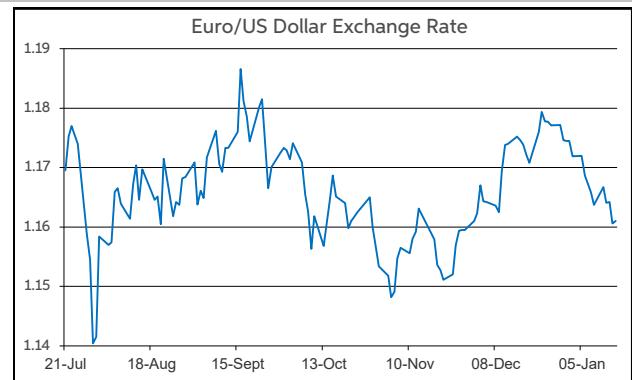
There was a more positive tone to investor sentiment yesterday. This was in part due to an apparent easing in the near term risk of US military intervention in Iran. The main equity indices posted modest gains. In Europe, the Euro Stoxx 50 rose by 0.6%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 0.3% higher.

Yesterday's data calendar was relatively quiet. The data though that was published tended to surprise to the upside of expectations. The main Eurozone release of note was industrial production for November. The headline number printed at 0.7% m/m (vs. f'cast for +0.5%). The underlying details indicated some broad-based growth and suggests the sector was on course for a solid performance in Q4. Meantime, in the US, the weekly jobless claims data were lower than expected, providing some positive news from the labour market.

On the currency, the magnitude of moves among the FX majors remained relatively confined. Within this though, the dollar had some upward momentum for much of yesterday. Some less dovish comments from a raft of Fed speakers led to a firming in US futures contracts, which provided a supportive backdrop for the greenback. Although, some of this momentum has lessened in overnight trading. In level terms, EUR/USD tested below the \$1.16 threshold for the first time since late November/early December. The pair starts this morning's European session at \$1.161. The firmer tone to the dollar saw GBP/USD fall back below \$1.34. Elsewhere, the EUR/GBP pair continued to trade in the upper half of 86-87p.

Looking ahead to today, there is a quiet macro diary in Europe, with no top tier or even second tier Eurozone or UK releases due. In the US, the data highlight will be industrial production figures for December. Homebuilder sentiment for January is on the US agenda today as well. Market participants will also be keeping a watchful on the US Supreme Court as it awaits its 'tariff' ruling.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
	% Change		
	Day *	End 2025	
EUR/USD	1.161	-0.21	-1.15
EUR/GBP	0.8673	0.12	-0.48
GBP/USD	1.3382	-0.32	-0.68
GBP/EUR	1.1525	-0.12	0.48
USD/JPY	158.21	-0.14	1.00
EUR/JPY	183.69	-0.35	-0.16

\* 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	3.63	3.66	3.66	3.50	3.69	3.79
EUR	2.00	1.94	2.02	2.18	2.26	2.53
GBP	3.75	3.73	3.71	3.52	3.73	3.89

All rates quoted are indicative market rates

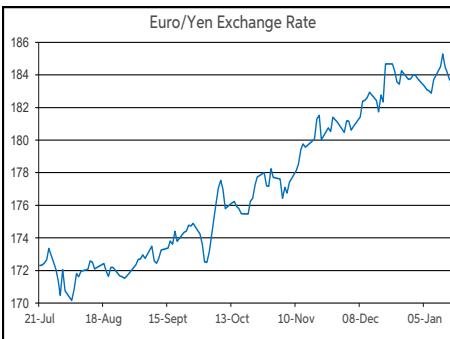
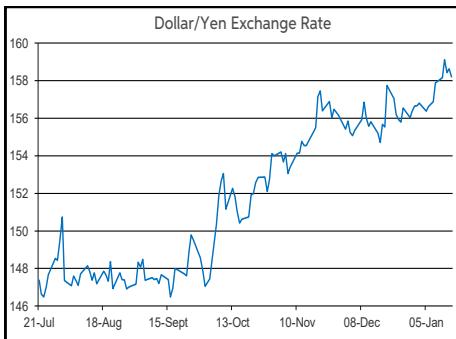
See Next Page For More Rates & Charts

CONTACTS		Customer Treasury Services NI	
AIB Customer Treasury Services		TreasuryNI@aib.ie	
business.treasury@aib.ie			
aib.corporatetreasury@aib.ie			
aib.ie/fxcentre			
		aibni.co.uk/fxcentre	

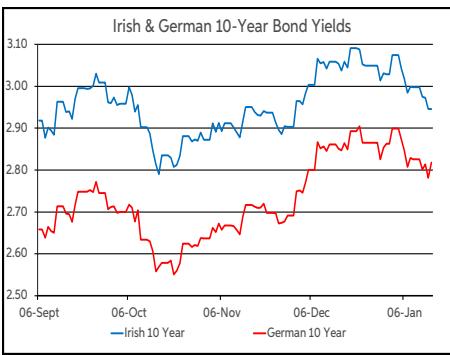
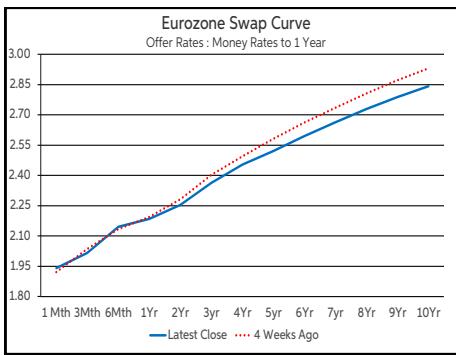
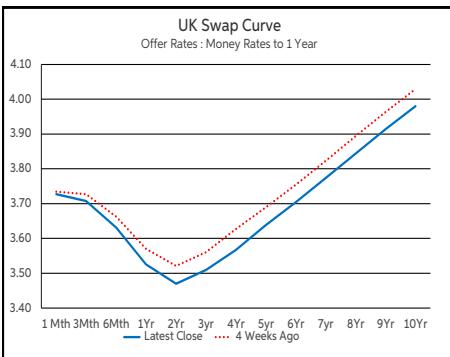
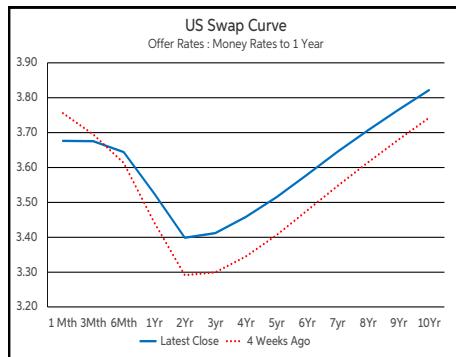
Euro	
EUR/GBP	0.8673
EUR/USD	1.161
EUR/JPY	183.69
EUR/SEK	10.712
EUR/DKK	7.4715
EUR/NOK	11.7357
EUR/CHF	0.9315
EUR/AUD	1.7322
EUR/HKD	9.0534
EUR/CAD	1.6127

Sterling	
GBP/EUR	1.1525
GBP/USD	1.3382
GBP/CAD	1.8588
GBP/NZD	2.3241
GBP/JPY	211.72
GBP/SEK	12.3455
GBP/DKK	8.6102
GBP/NOK	13.5279
GBP/CHF	1.0737
GBP/AUD	1.9965

Dollar	
USD/JPY	158.21
USD/CAD	1.389
USD/CHF	0.8023
USD/CNY	6.9675
USD/BRL	5.3678
USD/RUB	77.5
USD/INR	90.702
AUD/USD	0.6699
NZD/USD	0.5754



	Debt Markets			
	Close	Day	4 Weeks	End 25
10 Year Yield %				
US	4.16	+2	+4	+1
Germany	2.82	+4	-3	-4
UK	4.39	+5	-9	-8
Ireland	2.95	-0	-10	-8
Belgium	3.27	+0	-7	-8
France	3.49	+0	-7	-7
Italy	3.41	-0	-9	-10
Spain	3.21	-0	-7	-8
Portugal	3.21	+12	+7	+5
Greece	3.35	-1	-11	-13
5 Year Swap %				
US	3.78	+5	+17	+5
Eurozone	2.51	+2	-5	-5
UK	3.88	+6	-3	-2
2 Year Swap %				
US	3.67	+5	+12	+9
Eurozone	2.25	+2	-3	-1
UK	3.73	+5	-3	-0
10 Year Government Bond Spreads to Benchmark bps				
Ireland	13	-4	-7	-4
Belgium	45	-3	-3	-3
France	67	-3	-3	-2
Italy	59	-4	-6	-6
Spain	39	-4	-3	-4
Portugal	40	+8	+10	+10
Greece	53	-4	-8	-9



	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	63.76	-4.15	+6.59	+4.78
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4614.6	-0.13	+6.53	+6.97

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.