Morning Comment

AIB Treasury Economic Research Unit

Friday 27 February 2026
07:07 am

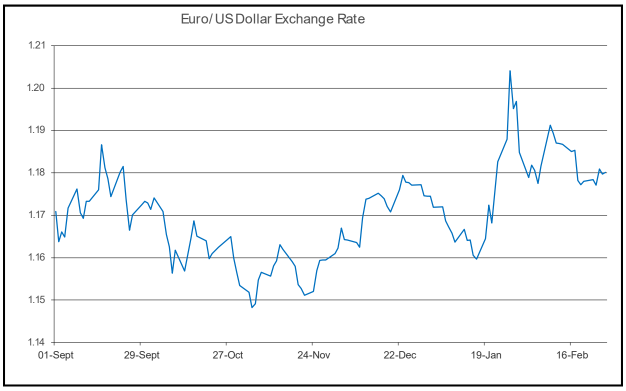
Softer tone to sterling

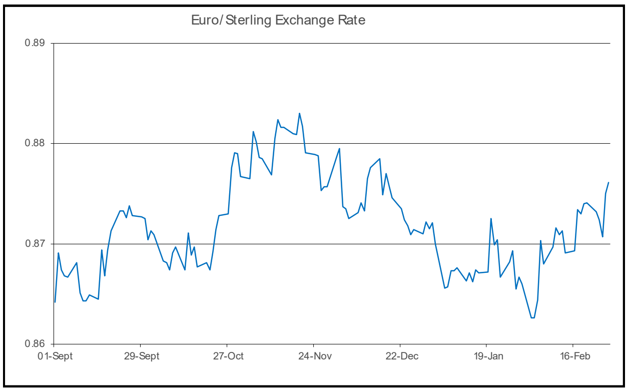
The recent improvement in risk appetite saw some reversal yesterday, with a more cautious tone to proceedings. The risk averse mood was reflected in the main equity indices moving lower on both sides of the Atlantic. In Europe, the Euro Stoxx 50 fell by a modest 0.2%. At the closing bell on Wall Street last night, the S&P 500 was 0.5% lower on the day.

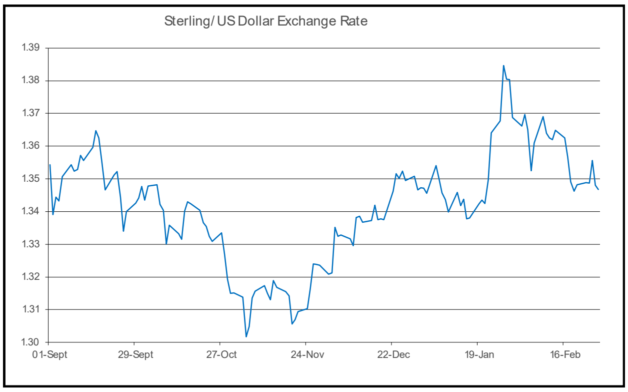
This was against the backdrop of geopolitical uncertainty in relation to US-Iran tensions/negotiations. Meantime, the newsflow from yesterday's macro data releases was mixed. The Eurozone EC economic sentiment survey for February disappointed to the downside of expectations. The headline number was dragged lower by weakness in the services and construction sectors. Meanwhile, the main US publication was the weekly jobless claims report. The 'initial' claims figure rose by less than forecast, providing further signs that layoffs remain relatively subdued in the US labour market. However, it must be noted that other indicators suggest that hiring levels are also muted.

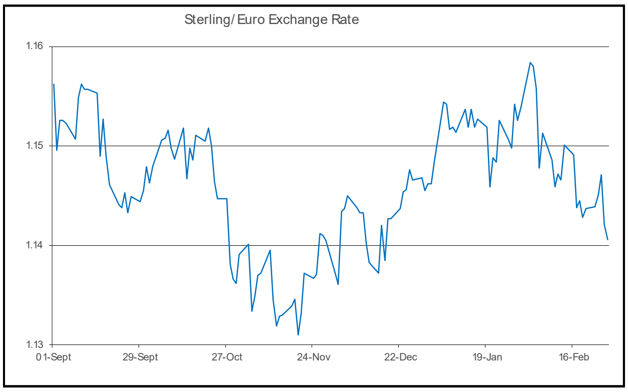
On the currency front, most of the main pairs were confined to narrow ranges yesterday. This pattern has continued in overnight trading on Asia-Pacific markets. Of the limited moves to register over this 24 hour period, the UK pound is slightly weaker as sterling watchers awaited and then digested the news that Prime Minister Starmer's Labour party lost a by-election. In level terms, EUR/GBP opens this morning above the midpoint of the 87-88p band, while GBP/USD has fallen back below $1.35. Elsewhere, EUR/USD remains in and around $1.18 and USD/JPY is straddling the ¥156 handle.

Turning to the day ahead, there is an 'inflation' theme to the macro calendar to bring the week to a close. We get the flash reading of HICP inflation from Germany. There is also an inflation update scheduled from the US, with PPI figures for January being released.
John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/ USD	1.1801	-0.15	0.48
EUR/ GBP	0.8761	0.52	0.53
GBP/ USD	1.3468	-0.67	-0.04
GBP/ EUR	1.141	-0.51	-0.53
USD/ JPY	155.92	0.00	-0.47
EUR/ JPY	184.03	-0.15	0.02

* 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	3.66	3.65	3.43	3.54	3.55
EUR	2.00	1.93	2.01	2.15	2.18	2.39
GBP	3.75	3.67	3.57	3.39	3.63	3.80

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

CONTACTS

AIB Customer Treasury Services
business.treasury@aib.ie
aib.corporatetreasury@aib.ie
aib.ie/fxcentre

Customer Treasury Services GB
treasury.gb@aib.ie
aibgb.co.uk/fxcentre

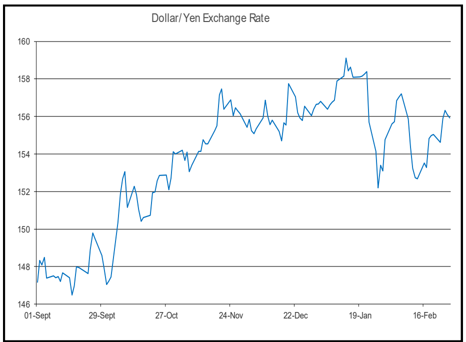
Customer Treasury Services NI
TreasuryNI@aib.ie
aibni.co.uk/fxcentre

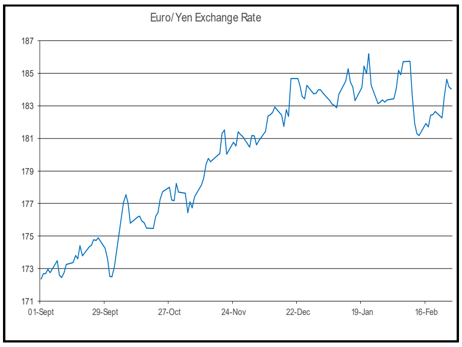
All Data Sourced from Refinitiv

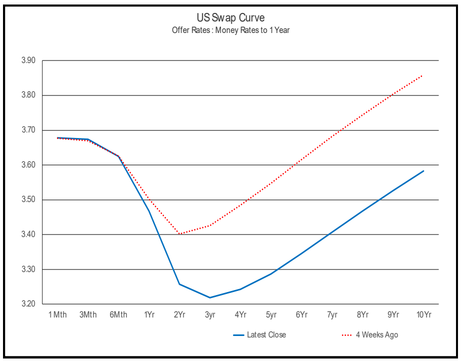
Opening Levels

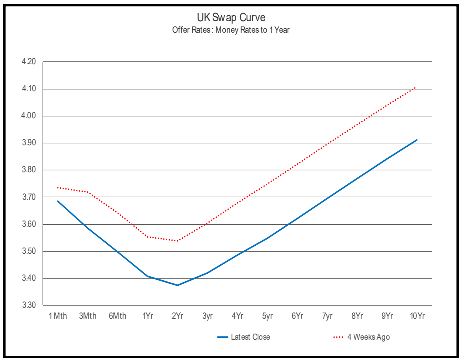
Friday 27 February 2026
07:07 am

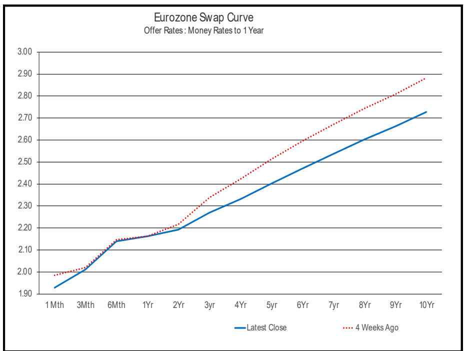
Euro		Sterling		Dollar	
EUR/GBP	0.8761	GBP/EUR	1.141	USD/JPY	155.92
EUR/USD	1.1801	GBP/USD	1.3468	USD/CAD	1.3667
EUR/JPY	184.03	GBP/CAD	1.8404	USD/CHF	0.7732
EUR/SEK	10.6771	GBP/NZD	2.2476	USD/CNY	6.856
EUR/DKK	7.4722	GBP/JPY	209.98	USD/BRL	5.14
EUR/NOK	11.2527	GBP/SEK	12.1847	USD/RUB	77
EUR/CHF	0.9125	GBP/DKK	8.5245	USD/INR	90.941
EUR/AUD	1.6559	GBP/NOK	12.8416		
EUR/HKD	9.2338	GBP/CHF	1.0415	AUD/USD	0.7125
EUR/CAD	1.6128	GBP/AUD	1.8895	NZD/USD	0.5988

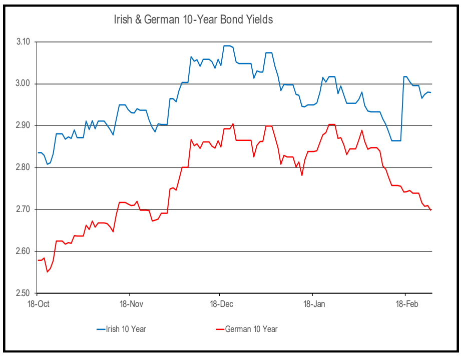












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.02	-3	-21	-14
Germany	2.70	-1	-13	-16
UK	4.28	-4	-24	-20
Ireland	2.98	-0	+3	-5
Belgium	3.07	-1	-17	-28
France	3.25	-1	-17	-31
Italy	3.31	-1	-15	-21
Spain	3.10	-1	-10	-19
Portugal	3.05	-1	-14	-11
Greece	3.31	-2	-4	-17
5 Year Swap %				
US	3.56	-4	-24	-17
Eurozone	2.39	-1	-11	-17
UK	3.79	-3	-19	-10
2 Year Swap %				
US	3.52	-3	-13	-5
Eurozone	2.19	+0	-2	-7
UK	3.62	-3	-16	-11
10 Year Government Bond Spreads to Benchmark bps				
Ireland	28	+1	+16	+12
Belgium	37	-0	-4	-11
France	55	+0	-4	-15
Italy	61	+0	-1	-4
Spain	40	-0	+3	-3
Portugal	35	+0	-1	+5
Greece	61	-1	+10	-1

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	70.75	-0.14	+0.06	+16.27
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold $	5186.9	+0.31	-3.86	+20.23

AIB, 10 Molesworth Street, Dublin 2 Tel: 353-1-6600311