

Morning Comment

AIB Treasury Economic Research Unit



Monday 19 January 2026
07:47 am

Geopolitics & a busy data calendar in focus this week

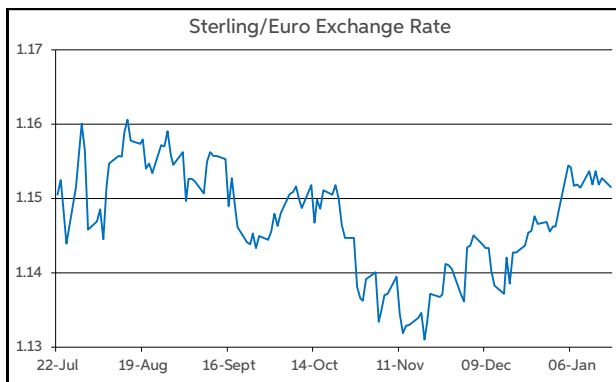
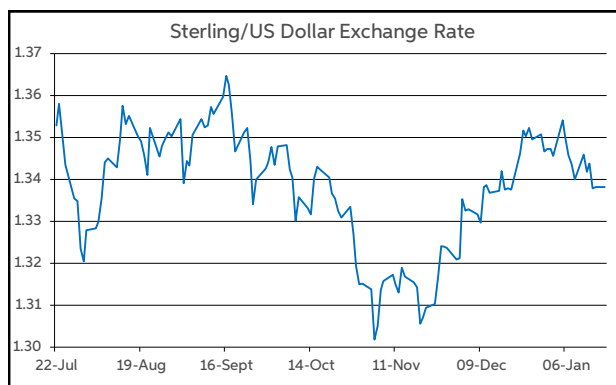
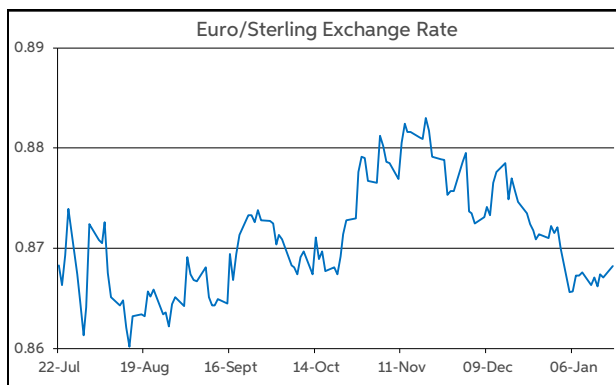
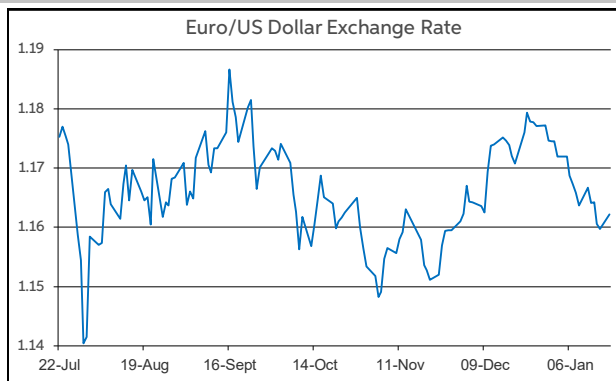
For the majority of last week, there was a cautious tone to investor sentiment. Concerns regarding Fed independence, geopolitical tensions in Iran, Venezuela and in relation to Greenland, were in focus, albeit their overall market impact was small. On the week, the Euro Stoxx 50 registered a modest 0.5% rise, while the S&P 500 fell by 0.4%. Meantime, oil prices finished the week off their peak, but they were still up by 1.0%, with Brent crude near \$64 per barrel.

From a currency perspective, despite starting the week under pressure, amid the aforementioned concerns in relation to Fed independence, the dollar moved marginally higher last week. A modest firming in US rate expectations, following some hawkish rhetoric from Fed officials and decent activity data supported the greenback. Similarly, UK rate expectations also firmed by circa 5bps, which provided a slight lift for sterling. Meantime, the yen was under pressure, as rumours of a potential snap election swirled. However, the Japanese currency recouped its losses late last week.

In level terms, all of the above is reflected in EUR/USD starting this week down in the lower half of \$1.16-1.17. GBP/USD is changing hands below the \$1.34 threshold. Elsewhere, EUR/GBP is operating in the upper region of the 86-87p corridor. USD/JPY is just above the ¥158 handle, having traded north of ¥159 for a period last week.

Turning to the week ahead, a busy UK macro calendar includes updates on the labour market, inflation, retail sales and consumer confidence. In the US, core-PCE inflation and the second reading of Q3 GDP will feature. Across the board, the flash PMIs for January in the main advanced economies are due. Aside from the data, investors will also be keeping an eye on geopolitical developments, and on remarks made at the World Economic Forum in Davos. In particular, markets will be digesting the weekend threat of Tariffs on a number of NATO allies announced by President Trump.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1622	0.14	-1.05
EUR/GBP	0.8682	0.12	-0.38
GBP/USD	1.3382	0.01	-0.68
GBP/EUR	1.1512	-0.12	0.38
USD/JPY	158.06	-0.18	0.90
EUR/JPY	183.72	-0.05	-0.15
* 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	3.52	3.69	3.84
EUR	2.00	1.99	2.16	2.26	2.54
GBP	3.75	3.72	3.51	3.71	3.90

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

EUR/GBP	0.8682
EUR/USD	1.1622
EUR/JPY	183.72
EUR/SEK	10.7287
EUR/DKK	7.4718
EUR/NOK	11.714
EUR/CHF	0.9292
EUR/AUD	1.7373
EUR/HKD	9.0616
EUR/CAD	1.6149

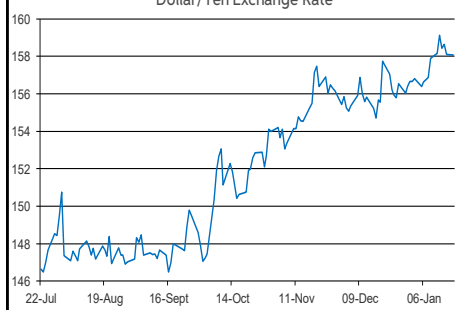
Sterling

GBP/EUR	1.1512
GBP/USD	1.3382
GBP/CAD	1.8594
GBP/NZD	2.3182
GBP/JPY	211.52
GBP/SEK	12.3529
GBP/DKK	8.6013
GBP/NOK	13.483
GBP/CHF	1.0697
GBP/AUD	1.9997

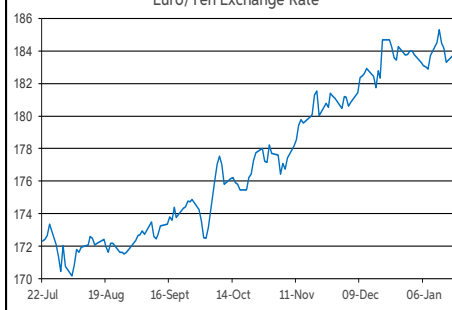
Dollar

USD/JPY	158.06
USD/CAD	1.3895
USD/CHF	0.7995
USD/CNY	6.9632
USD/BRL	5.3708
USD/RUB	77.9
USD/INR	90.9725
AUD/USD	0.6687
NZD/USD	0.5769

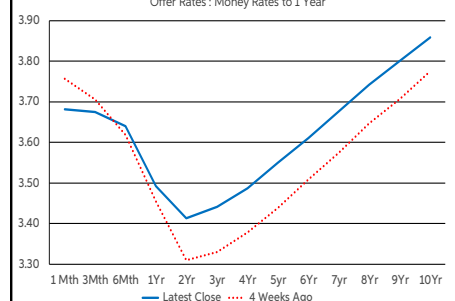
Dollar/Yen Exchange Rate



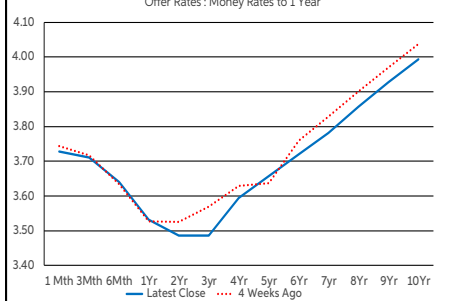
Euro/Yen Exchange Rate



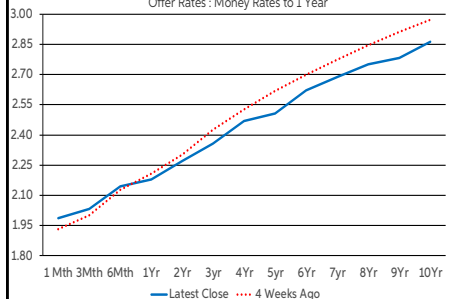
US Swap Curve
Offer Rates : Money Rates to 1 Year



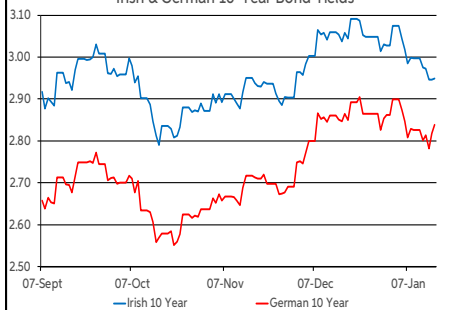
UK Swap Curve
Offer Rates : Money Rates to 1 Year



Eurozone Swap Curve
Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Day	4 Weeks	End 25
10 Year Yield %				
US	4.23	+7	+8	+8
Germany	2.84	+2	-5	-2
UK	4.40	+1	-13	-7
Ireland	2.95	+0	-14	-8
Belgium	3.29	+2	-10	-6
France	3.52	+3	-10	-4
Italy	3.42	+1	-13	-10
Spain	3.22	+1	-11	-7
Portugal	3.22	+1	+3	+6
Greece	3.36	+1	-13	-12
5 Year Swap %				
US	3.82	+3	+20	+9
Eurozone	2.53	+2	-7	-3
UK	3.90	+2	-4	+0
2 Year Swap %				
US	3.68	+1	+12	+11
Eurozone	2.26	+1	-2	+0
UK	3.73	+0	-4	-0
10 Year Government Bond Spreads to Benchmark bps				
Ireland	11	-2	-9	-5
Belgium	45	-0	-5	-3
France	68	+1	-4	-2
Italy	58	-1	-8	-7
Spain	38	-1	-5	-5
Portugal	38	-1	+9	+9
Greece	52	-1	-7	-10

Commodities

	Close	Day	4 Weeks	End 25
Brent Oil				
Brent Oil	64.13	+0.58	+6.05	+5.39
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4594.8	-0.43	+5.92	+6.51

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