

Morning Comment

AIB Treasury Economic Research Unit



Thursday 22 January 2026
08:02 am

US core-PCE inflation due today

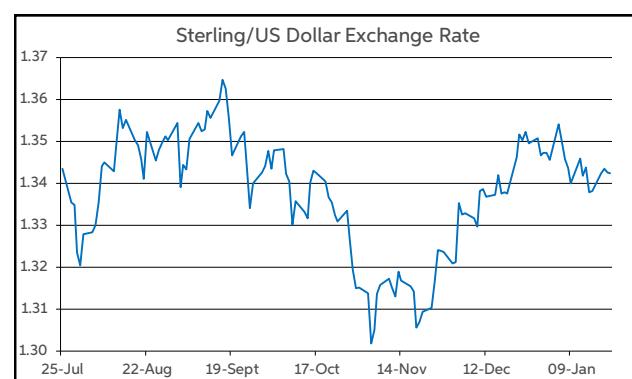
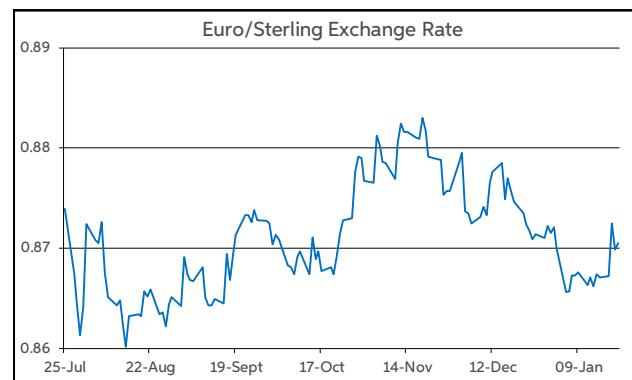
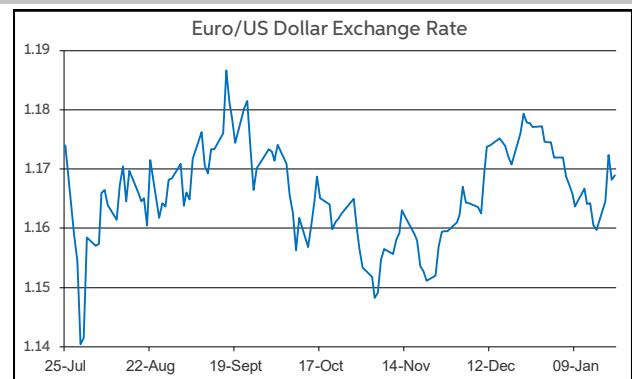
The cautious mood on markets persisted for much of yesterday, amid heightened tensions between the US and its western allies regarding the fate of Greenland. In a much anticipated address at the World Economic Forum, President Trump reiterated that Greenland should be part of the US, although he ruled out using military force to seize it. Against this backdrop, equity markets moved off their lows, albeit the Euro Stoxx 50 fell by 0.2% yesterday. On Wall Street, the S&P 500 rose by 1.2%, following a 2.1% drop on Tuesday.

Elsewhere, President Trump's speech had only a negligible impact on financial markets. Indeed, the main FX pairs were quite range bound. A lack of any top tier data releases contributed to the muted price action throughout the European session. However, following the announcement of "a framework on a future deal" regarding Greenland, the dollar was somewhat firmer overnight. Overall, the greenback has gained circa 0.3% against the euro in the past 24 hours.

As trading gets underway this morning, EUR/USD is operating back below the \$1.17 threshold. EUR/GBP is changing hands down at the 87p mark. GBP/USD is trading in the lower region of the \$1.34-1.35 corridor. Meanwhile, USD/JPY is up in the top half of the ¥158-159 range.

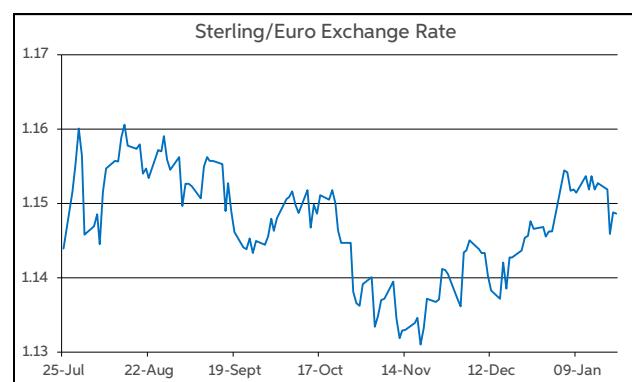
Turning to the day ahead, the main data highlight will be the reading of US core-PCE inflation for November. The consensus is for inflation to remain at 2.8% in the month. Elsewhere in the US, personal consumption and income data for November will also be released. The latest weekly initial jobless claims figure and the final estimate of GDP for Q3 will also warrant attention. In the Eurozone, the focus will be on the ECB minutes for the December meeting. However, the release is unlikely to impact the euro. Meantime, the BoJ is widely expected to keep rates unchanged overnight.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
	% Change		
	Day *	End 2025	
EUR/USD	1.1689	-0.24	-0.48
EUR/GBP	0.8703	-0.17	-0.14
GBP/USD	1.3428	-0.05	-0.33
GBP/EUR	1.1487	0.17	0.14
USD/JPY	158.77	0.36	1.35
EUR/JPY	185.59	0.12	0.87

* 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	3.51	3.71	3.85
EUR	2.00	1.98	2.03	2.18	2.27	2.57
GBP	3.75	3.72	3.70	3.51	3.73	3.92

All rates quoted are indicative market rates

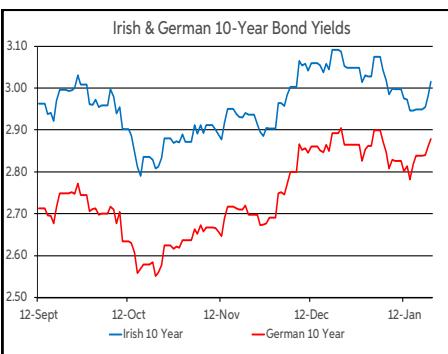
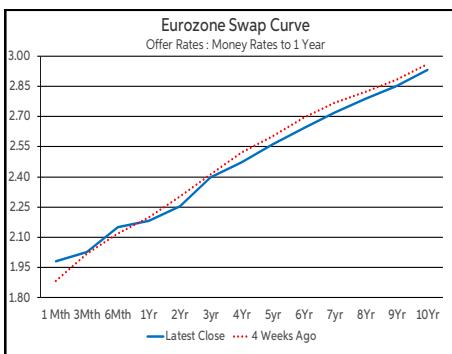
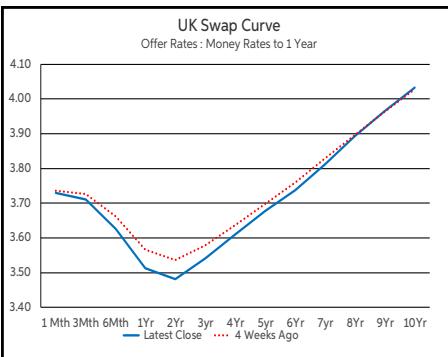
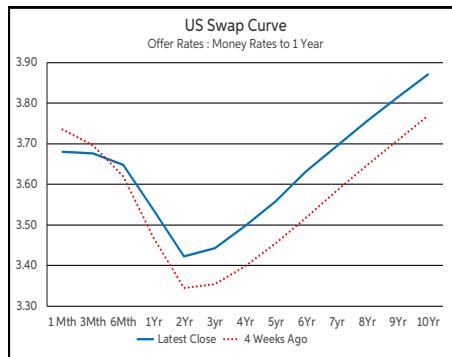
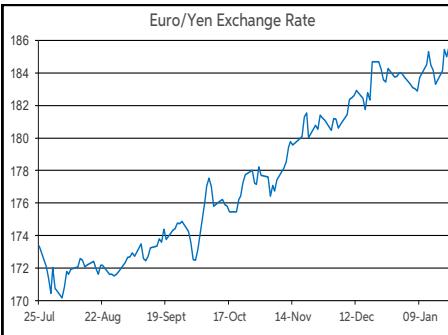
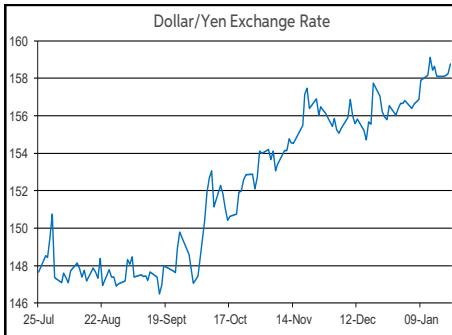
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Euro	
EUR/GBP	0.8703
EUR/USD	1.1689
EUR/JPY	185.59
EUR/SEK	10.614
EUR/DKK	7.4699
EUR/NOK	11.5992
EUR/CHF	0.9284
EUR/AUD	1.7182
EUR/HKD	9.1148
EUR/CAD	1.6157

Sterling	
GBP/EUR	1.1487
GBP/USD	1.3428
GBP/CAD	1.8555
GBP/NZD	2.2911
GBP/JPY	213.2
GBP/SEK	12.192
GBP/DKK	8.5786
GBP/NOK	13.3244
GBP/CHF	1.0661
GBP/AUD	1.973

Dollar	
USD/JPY	158.77
USD/CAD	1.3822
USD/CHF	0.7941
USD/CNY	6.9628
USD/BRL	5.3193
USD/RUB	76
USD/INR	91.6225
AUD/USD	0.6802
NZD/USD	0.5857



Debt Markets					
	Change bps	Close	Day	4 Weeks	End 25
10 Year Yield %					
US	+10	4.25	-4	+12	+10
Germany	+2	2.88	+2	+1	+2
UK	-1	4.46	+0	-5	-1
Ireland	-1	3.02	+3	-3	-1
Belgium	-1	3.34	+2	-2	-1
France	-2	3.54	+2	-2	-2
Italy	-2	3.49	+3	-3	-2
Spain	-1	3.28	+2	-1	-1
Portugal	+11	3.27	+2	+10	+11
Greece	-7	3.41	+2	-8	-7
5 Year Swap %					
US	+10	3.82	-2	+11	+10
Eurozone	-1	2.55	+2	-4	-1
UK	+2	3.92	-1	-2	+2
2 Year Swap %					
US	+11	3.69	+1	+9	+11
Eurozone	-1	2.25	+3	-2	-1
UK	-1	3.72	-1	-5	-1
10 Year Government Bond Spreads to Benchmark bps					
Ireland	-3	14	+2	-5	-3
Belgium	-3	46	+1	-3	-3
France	-3	66	-0	-4	-3
Italy	-4	61	+1	-4	-4
Spain	-3	40	+1	-3	-3
Portugal	+9	39	-0	+9	+9
Greece	-8	53	+0	-9	-8
Commodities					
	% Change	Close	Day	4 Weeks	End 25
Brent Oil	+7.21	65.24	+0.49	+4.82	+7.21
West Texas Oil	-1.27	71.65	-0.17	-1.90	-1.27
Gold \$	+12.10	4836.2	+1.53	+7.97	+12.10

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