

Morning Comment

AIB Treasury Economic Research Unit



Tuesday 13 January 2026
06:22 am

US CPI inflation due today

Investor sentiment was holding a somewhat cautious tone at the start of the week, as market participants digested the weekend announcement that the DoJ is investigating Chair Powell's testimony to Congress last June. Overall, the Euro Stoxx 50 edged 0.3% higher. On Wall Street the S&P 500 gained 0.2%. Similarly, on bond markets, benchmark sovereign yields were little changed across the board.

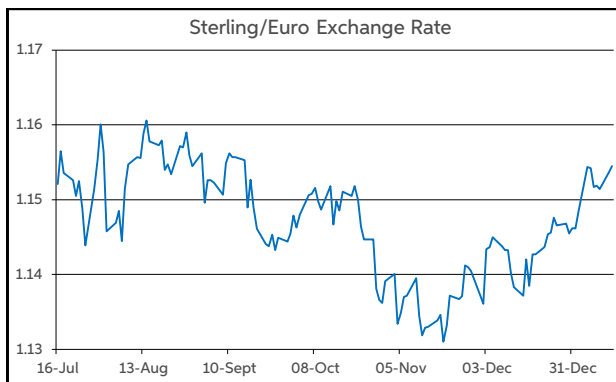
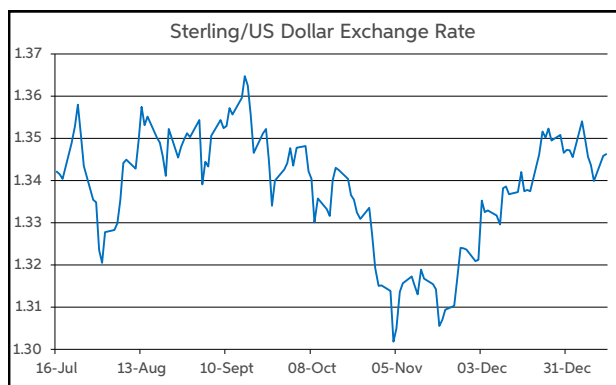
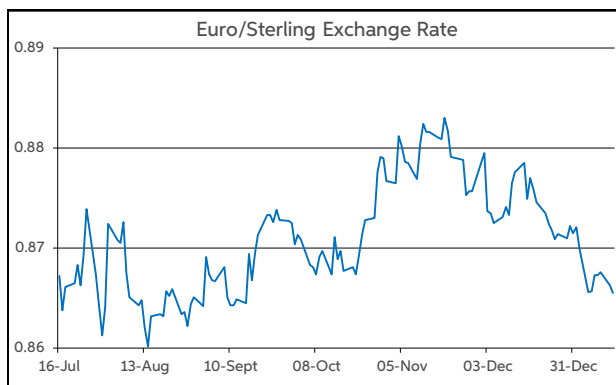
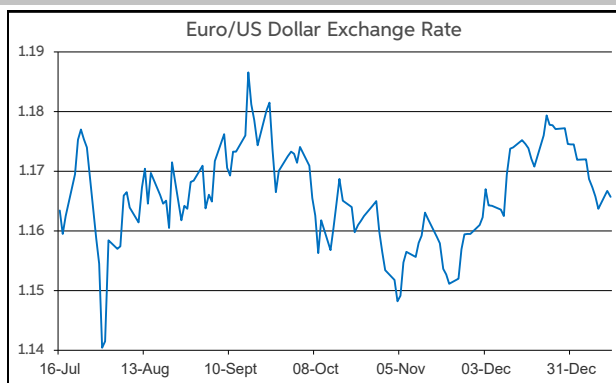
Data-wise, the only release of any note was the EU Sentix reading for January. The index improved markedly, to -1.8 (vs. -4.9 f'cast) in the month, its highest level since July. The improvement in the headline index was broad-based across countries in the Eurozone and reflected an increase in both future and current economic conditions.

On the currency front, having been under some modest downward pressure before European trading got underway yesterday, the dollar was unable to recoup its losses. Elsewhere, there has been a slightly firmer tone to sterling over the past 24 hours. The pound has risen by around 0.3% against the euro and the dollar. Meanwhile, the yen was on the defensive, as speculation that PM Takaichi may call a snap election continued.

In level terms, EUR/GBP opens this morning close to the midpoint of the 86-87p trading band. GBP/USD is in the top half of the \$1.34-1.35 corridor. Meantime, EUR/USD is close to the halfway point of the \$1.16-1.17 range. USD/JPY is changing hands just below the ¥159 threshold, its highest level since July 2024.

Turning to the day ahead, the focus will be on the release of US CPI inflation data for December. The consensus is for the headline rate to stay at 2.7% and for the core rate to increase to 2.7%. The release poses some event risk for the dollar. Investors will also be keeping an eye on developments in Iran, Venezuela, and on any newsflow regarding the DoJ investigation at the Federal Reserve.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1657	-0.09	-0.75
EUR/GBP	0.8655	-0.33	-0.69
GBP/USD	1.3463	0.25	-0.07
GBP/EUR	1.1548	0.34	0.69
USD/JPY	158.87	0.55	1.42
EUR/JPY	185.24	0.47	0.68
* 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	3.67	3.67	3.49	3.67	3.79
EUR	2.00	1.97	2.02	2.17	2.25	2.52
GBP	3.75	3.71	3.69	3.50	3.70	3.85

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Euro

EUR/GBP	0.8655
EUR/USD	1.1657
EUR/JPY	185.24
EUR/SEK	10.6926
EUR/DKK	7.472
EUR/NOK	11.736
EUR/CHF	0.9295
EUR/AUD	1.7372
EUR/HKD	9.0892
EUR/CAD	1.6168

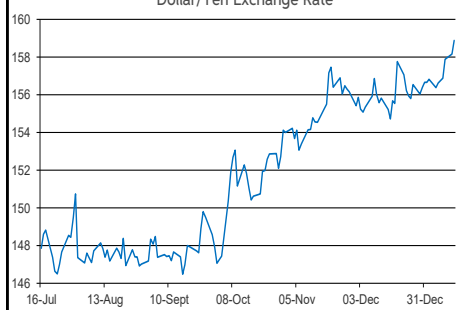
Sterling

GBP/EUR	1.1548
GBP/USD	1.3463
GBP/CAD	1.8673
GBP/NZD	2.3306
GBP/JPY	213.87
GBP/SEK	12.3481
GBP/DKK	8.6278
GBP/NOK	13.5564
GBP/CHF	1.0735
GBP/AUD	2.0065

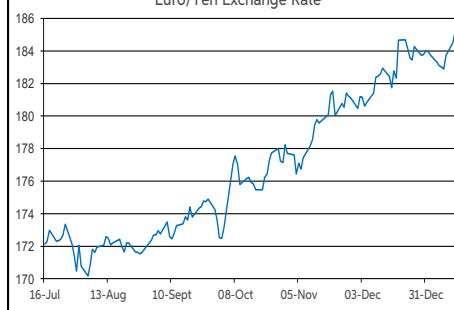
Dollar

USD/JPY	158.87
USD/CAD	1.387
USD/CHF	0.7974
USD/CNY	6.9765
USD/BRL	5.3752
USD/RUB	78.75
USD/INR	90.2575
AUD/USD	0.6707
NZD/USD	0.5773

Dollar/Yen Exchange Rate

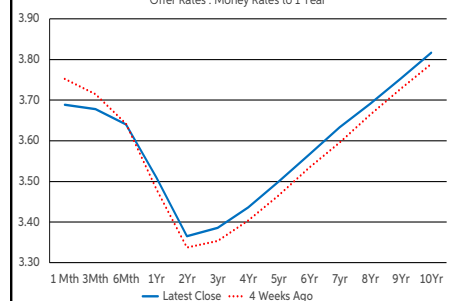


Euro/Yen Exchange Rate



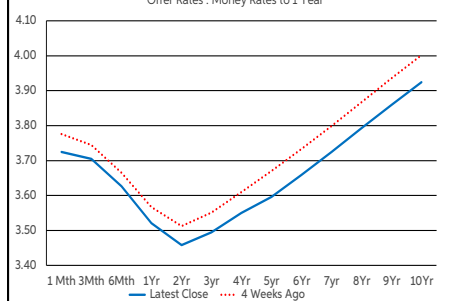
US Swap Curve

Offer Rates : Money Rates to 1 Year



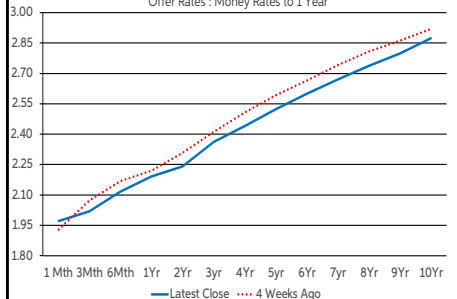
UK Swap Curve

Offer Rates : Money Rates to 1 Year

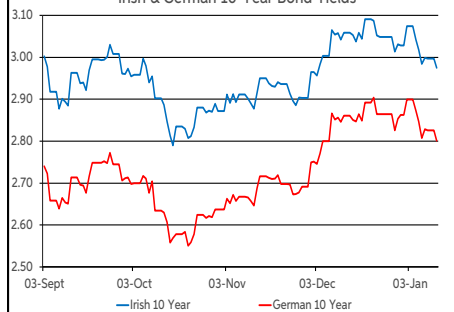


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.19	+2	+0	+3
Germany	2.80	-2	-5	-6
UK	4.37	-0	-13	-10
Ireland	2.97	-2	-8	-5
Belgium	3.28	-4	-6	-7
France	3.50	-2	-6	-6
Italy	3.43	-3	-11	-9
Spain	3.23	-2	-7	-6
Portugal	3.09	-2	-8	-7
Greece	3.35	-4	-10	-13

5 Year Swap %				
US	3.76	+6	+8	+4
Eurozone	2.51	-3	-5	-5
UK	3.84	-1	-8	-6

2 Year Swap %				
US	3.64	+1	+5	+6
Eurozone	2.24	-2	-4	-2
UK	3.70	+1	-6	-3

10 Year Government Bond Spreads to Benchmark bps				
Ireland	17	+0	-3	+1
Belgium	48	-1	-1	-1
France	70	+0	-1	+0
Italy	62	-1	-6	-2
Spain	43	+0	-2	-0
Portugal	29	-0	-3	-1
Greece	55	-2	-5	-7

Commodities

	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	63.87	+0.84	+5.47	+4.96
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4593.5	+1.86	+6.77	+6.48

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