

Morning Comment

AIB Treasury Economic Research Unit



Wednesday 21 January 2026
07:03 am

EUR/USD up above \$1.17

The risk averse tone to investor sentiment continued yesterday, as US markets re-opened following the long weekend across the Atlantic. Geopolitics/tensions regarding Greenland between the US and Europe were front and centre once again. Against this backdrop, the Euro Stoxx 50 declined by 0.6%. On Wall Street, the S&P 500 shed 2.1% on the day.

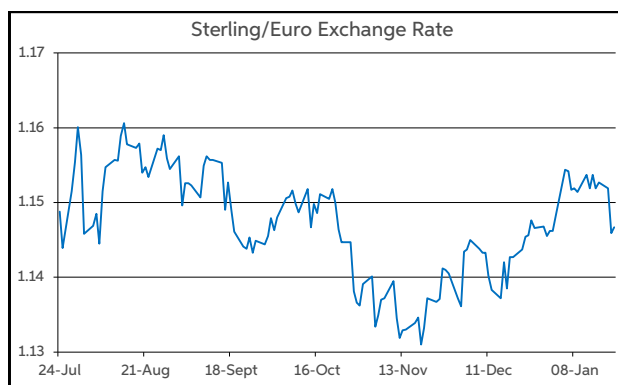
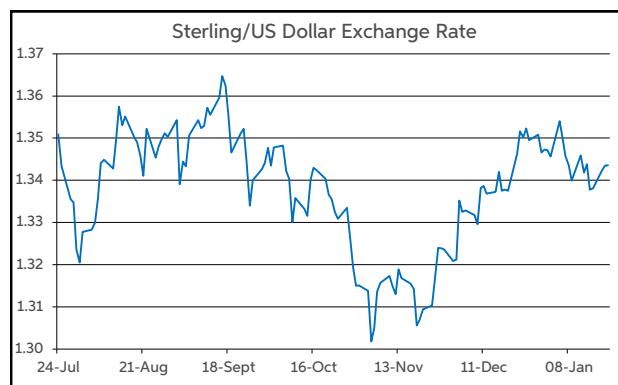
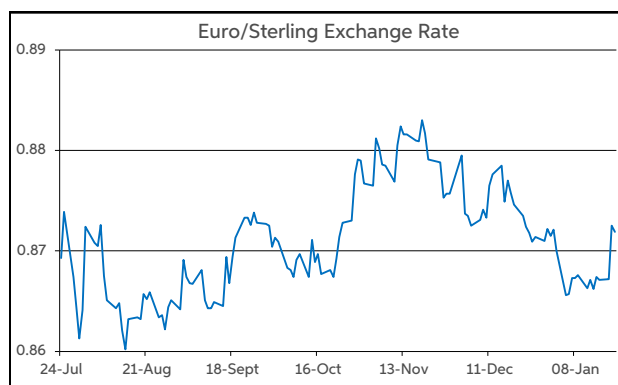
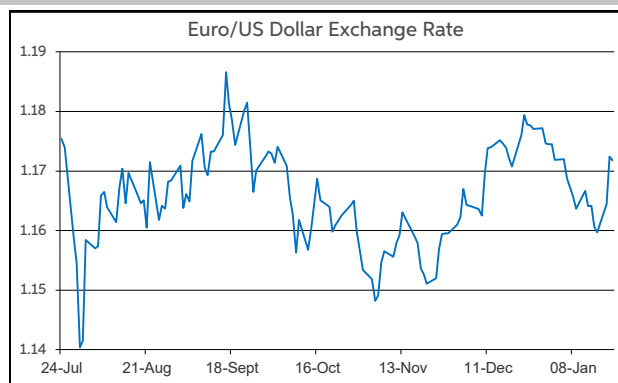
On the data front, the macro calendar remained rather sparse yesterday. The only release of any note, the German ZEW economic sentiment indicator, printed above the consensus, rising to 59.6 (vs. 50 f'cast), its highest level since July 2021. However, the release had no major market impact.

Currency-wise, the dollar was on the defensive. The greenback was down by circa 0.2-0.6% against the euro, sterling and yen at the European close. However, the dollar recouped some of its losses overnight. Elsewhere, the euro has been in the ascendancy over the past 24 hours.

In level terms, the firmer tone to the euro and the weaker dollar is evidenced by EUR/USD opening this morning above the \$1.17 threshold. GBP/USD is changing hands in the lower half of the \$1.34-1.35 corridor. Meanwhile, EUR/GBP is trading north of the 87p mark. USD/JPY is operating in and around the ¥158 handle.

Already today, UK CPI inflation data for December have been released. The headline rate rose to 3.4% (vs. 3.3% f'cast), while the core rate remained at 3.2% (vs. 3.3% f'cast). Overall, inflation averaged 3.5% last year, down from 3.7% in 2024. The remainder of today's data schedule lacks any top tier releases. Meantime, the focus will remain on EU-US tensions, with President Trump set to arrive at the World Economic Forum. On the monetary policy front, remarks from ECB President Lagarde will also be of interest.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1718	0.48	-0.23
EUR/GBP	0.8719	0.51	0.05
GBP/USD	1.3436	-0.02	-0.27
GBP/EUR	1.1465	-0.50	-0.05
USD/JPY	158.15	0.04	0.96
EUR/JPY	185.32	0.50	0.72

* 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	3.50	3.69	3.84
EUR	2.00	1.96	2.03	2.16	2.24	2.53
GBP	3.75	3.71	3.69	3.51	3.74	3.94

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

CONTACTS

AIB Customer Treasury Services
business.treasury@aib.ie
aib.corporate.treasury@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

Opening Levels

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Euro

EUR/GBP	0.8719
EUR/USD	1.1718
EUR/JPY	185.32
EUR/SEK	10.683
EUR/DKK	7.4703
EUR/NOK	11.6964
EUR/CHF	0.9267
EUR/AUD	1.7367
EUR/HKD	9.1368
EUR/CAD	1.6205

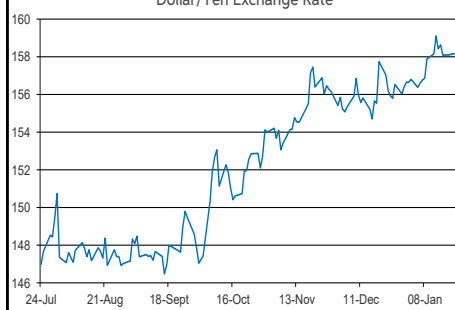
Sterling

GBP/EUR	1.1465
GBP/USD	1.3436
GBP/CAD	1.858
GBP/NZD	2.2973
GBP/JPY	212.49
GBP/SEK	12.2494
GBP/DKK	8.5669
GBP/NOK	13.4151
GBP/CHF	1.063
GBP/AUD	1.9907

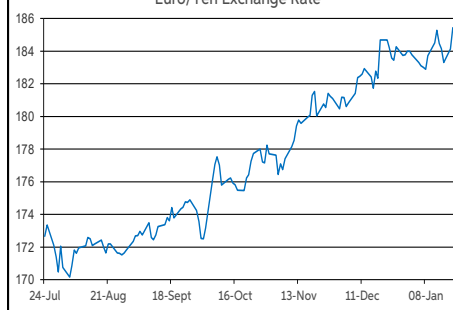
Dollar

USD/JPY	158.15
USD/CAD	1.383
USD/CHF	0.7908
USD/CNY	6.9641
USD/BRL	5.3754
USD/RUB	77.8
USD/INR	91.57
AUD/USD	0.6744
NZD/USD	0.5846

Dollar/Yen Exchange Rate

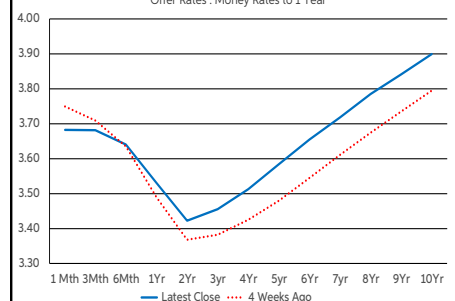


Euro/Yen Exchange Rate



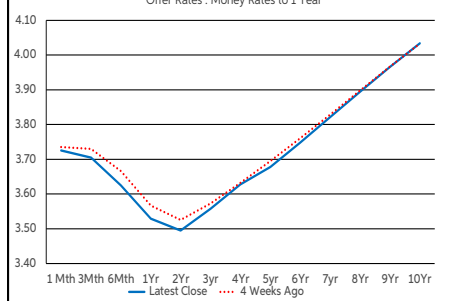
US Swap Curve

Offer Rates : Money Rates to 1 Year



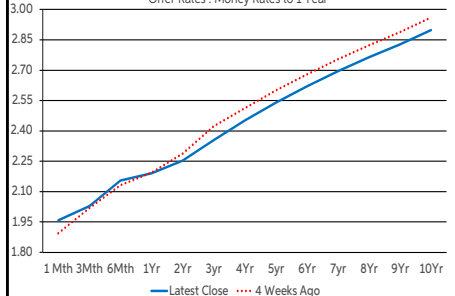
UK Swap Curve

Offer Rates : Money Rates to 1 Year

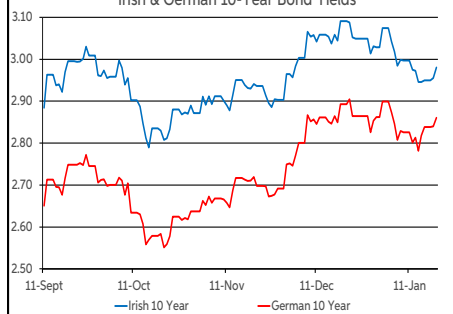


Eurozone Swap Curve

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	4.30	+6	+13	+14
Germany	2.86	+2	-0	-0
UK	4.46	+4	-5	-2
Ireland	2.98	+3	-7	-5
Belgium	3.31	+3	-4	-3
France	3.53	+3	-4	-3
Italy	3.46	+4	-6	-5
Spain	3.25	+3	-4	-4
Portugal	3.25	+2	+9	+9
Greece	3.39	+4	-10	-9

5 Year Swap %				
US	3.85	+3	+16	+12
Eurozone	2.52	-0	-6	-4
UK	3.93	+3	-1	+3

2 Year Swap %				
US	3.69	+1	+7	+11
Eurozone	2.22	-3	-7	-4
UK	3.73	+1	-4	+0

10 Year Government Bond Spreads to Benchmark bps				
Ireland	12	+1	-7	-5
Belgium	45	+1	-4	-3
France	67	+1	-3	-3
Italy	60	+2	-5	-5
Spain	39	+1	-3	-4
Portugal	39	+0	+9	+9
Greece	53	+2	-10	-8

Commodities

	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	64.92	+1.53	+4.07	+6.69
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4763.2	+2.00	+6.14	+10.41

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