

ECB and BoE in focus today

The cautious mood on financial markets persisted yesterday. Some disappointing quarterly earnings reports and concerns regarding AI-related tech-stocks weighed on investor sentiment. Against this backdrop, the Euro Stoxx 50 declined by 0.4%. Meantime, on Wall Street, the S&P 500 moved 0.5% lower on the day.

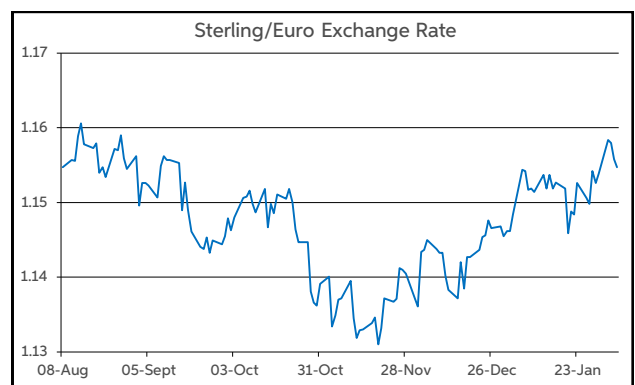
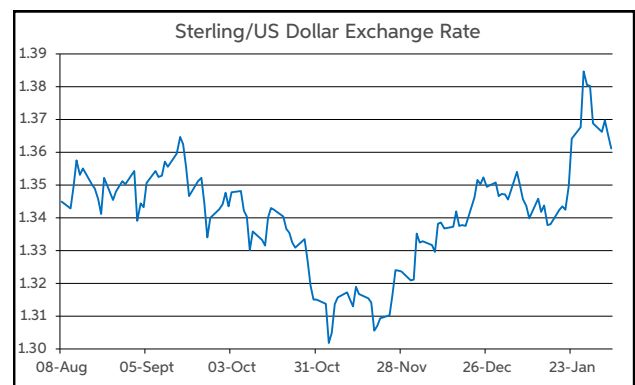
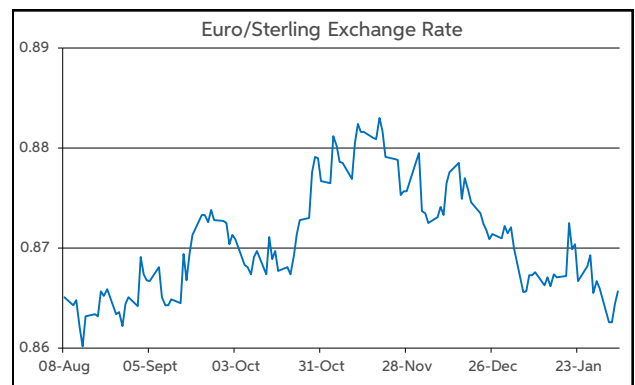
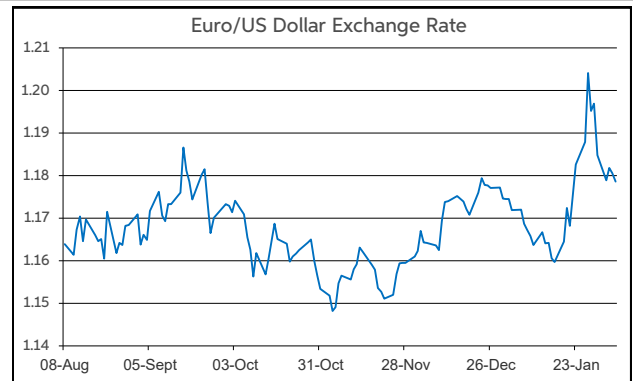
Data-wise, the main release of note was the flash estimate of HICP inflation for January. As expected, the headline rate fell to 1.7% from 2.0% in December. The core rate eased to 2.2% (vs. 2.3% f'cast), its lowest level since October 2021. Elsewhere, the US non-manufacturing ISM printed a touch above the consensus, staying at 53.8 in January (vs. 53.5 f'cast), amid a sharp rise in business activity in the month.

On the currency front, the dollar has been holding a slightly firmer tone over the past 24 hours. The weaker tone to risk appetite and the solid US data provided a supportive backdrop for the greenback. At the same time, sterling handed back some of its recent gains, albeit there was no obvious catalyst for the move.

In level terms, the stronger dollar is evidenced by EUR/USD opening this morning back below the \$1.18 threshold. GBP/USD is changing hands down at the \$1.36 handle. EUR/GBP is operating above the midpoint of the 86-87p range. USD/JPY is just below the ¥157 mark.

Turning to the day ahead, the spotlight will be on first policy setting meetings of the year for the ECB and BoE. Neither central bank is expected to alter rates though. Indeed, the focus will be on their respective press conferences, as investors look for guidance on the future path of policy, especially in the UK, where the BoE's updated Monetary Policy Report will also be released. On the data front, the delayed publication of the US JOLTS data for December, and the latest weekly initial jobless claims figures, will be the highlight.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1786	-0.40	0.35
EUR/GBP	0.8657	0.36	-0.67
GBP/USD	1.3609	-0.77	1.01
GBP/EUR	1.1545	-0.36	0.67
USD/JPY	156.92	0.40	0.17
EUR/JPY	184.95	0.01	0.52

* 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	3.65	3.47	3.67	3.82
EUR	2.00	1.96	2.03	2.18	2.24	2.53
GBP	3.75	3.71	3.69	3.53	3.81	4.01

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
---------	----------------------------	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

Opening Levels

Thursday 05 February 2026
06:26 am



Euro

EUR/GBP	0.8657
EUR/USD	1.1786
EUR/JPY	184.95
EUR/SEK	10.6153
EUR/DKK	7.4679
EUR/NOK	11.4418
EUR/CHF	0.9173
EUR/AUD	1.6906
EUR/HKD	9.204
EUR/CAD	1.6128

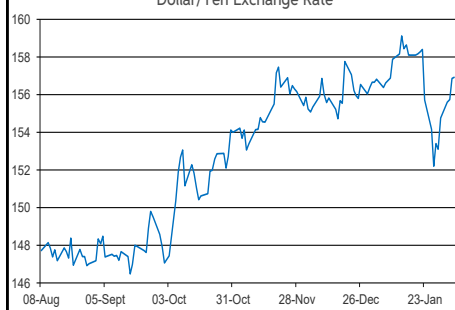
Sterling

GBP/EUR	1.1545
GBP/USD	1.3609
GBP/CAD	1.8624
GBP/NZD	2.2733
GBP/JPY	213.55
GBP/SEK	12.2553
GBP/DKK	8.6214
GBP/NOK	13.213
GBP/CHF	1.0595
GBP/AUD	1.9522

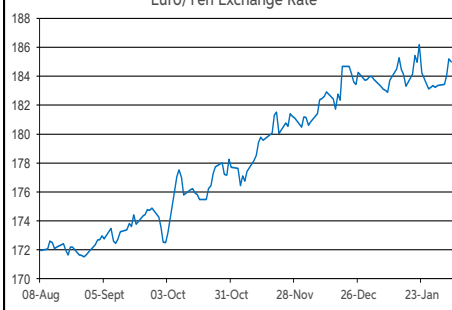
Dollar

USD/JPY	156.92
USD/CAD	1.3687
USD/CHF	0.7782
USD/CNY	6.9431
USD/BRL	5.2392
USD/RUB	76.55
USD/INR	90.402
AUD/USD	0.6969
NZD/USD	0.5984

Dollar/Yen Exchange Rate

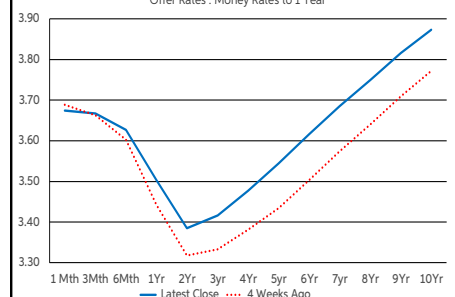


Euro/Yen Exchange Rate



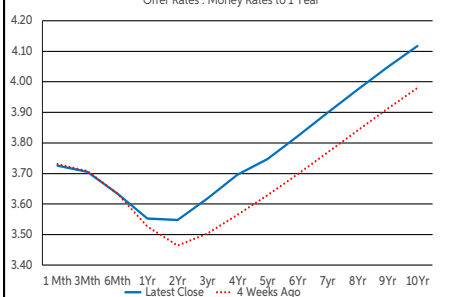
US Swap Curve

Offer Rates : Money Rates to 1 Year



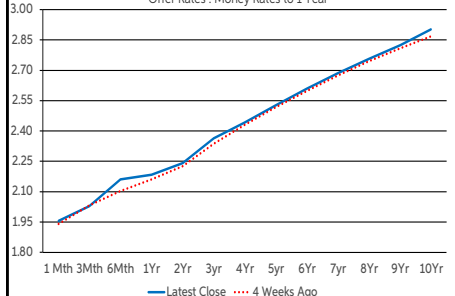
UK Swap Curve

Offer Rates : Money Rates to 1 Year

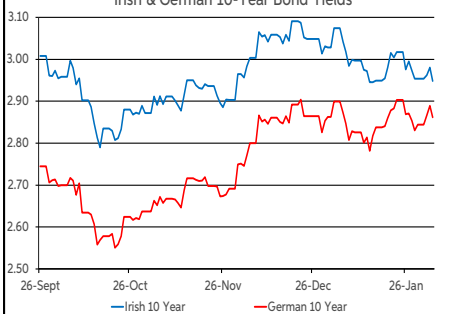


Eurozone Swap Curve

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	4.28	+0	+14	+13
Germany	2.86	-3	+5	-0
UK	4.55	+3	+14	+8
Ireland	2.95	-3	-4	-8
Belgium	3.27	-2	-3	-8
France	3.45	-1	-7	-11
Italy	3.48	-2	+1	-3
Spain	3.23	-2	-2	-6
Portugal	3.22	-2	+11	+6
Greece	3.37	-2	-4	-11
5 Year Swap %				
US	3.82	-0	+14	+9
Eurozone	2.51	-3	+1	-5
UK	4.00	-0	+14	+11
2 Year Swap %				
US	3.66	-1	+9	+8
Eurozone	2.24	-1	+2	-2
UK	3.78	-0	+8	+5
10 Year Government Bond Spreads to Benchmark bps				
Ireland	9	-1	-9	-8
Belgium	40	+1	-9	-8
France	59	+1	-13	-11
Italy	62	+1	-5	-3
Spain	37	+0	-7	-6
Portugal	36	+0	+5	+6
Greece	51	+1	-9	-11

Commodities

	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	69.46	+3.16	+15.84	+14.15
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4962.4	+0.48	+11.45	+15.03

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.