

# Morning Comment

AIB Treasury Economic Research Unit



Tuesday 17 February 2026

07:22 am

## Sterling under pressure in early trading

There was a very quiet start to the week on financial markets. A public holiday in the US for President's Day contributed to the muted price action yesterday. Meantime in Europe, the Euro Stoxx 50 inched 0.1% lower on the day. Elsewhere, German Bund and Gilt yields edged 1-2bps lower along the curve.

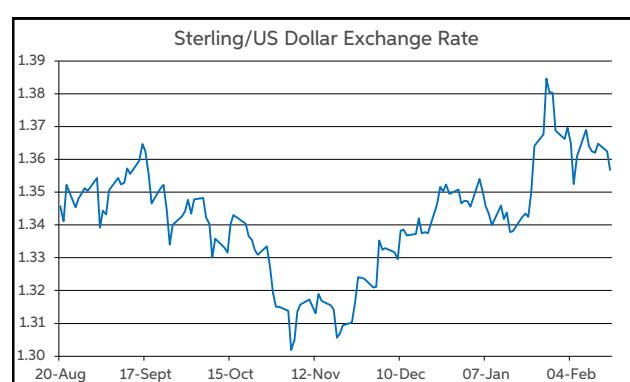
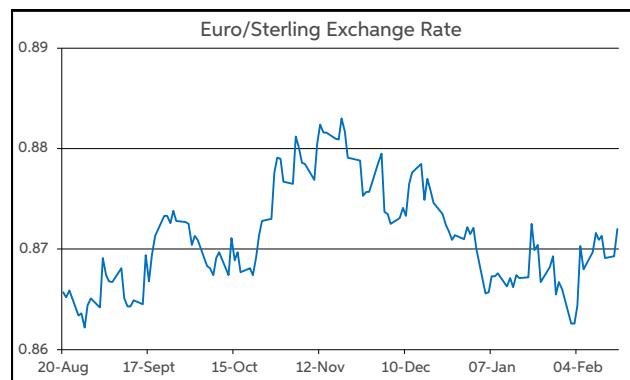
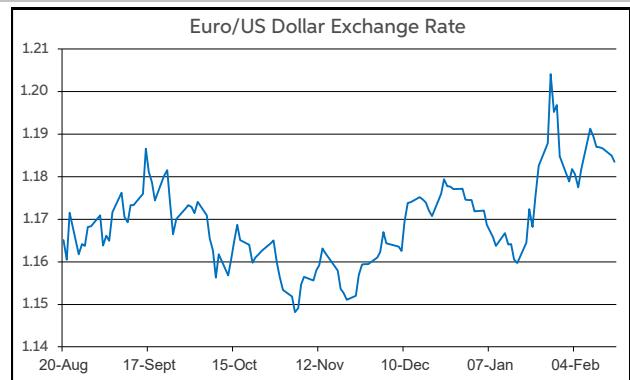
A sparse macro data calendar also contributed to the limited moves across markets. The only release of note was Eurozone industrial production for December. As expected, output faltered at the end of 2025, falling by 1.4% in the month (vs. -1.5% f'cast). However, industrial production rose by 1.5% overall in 2025 compared to 2024. Nevertheless, the data had no discernible impact on the euro.

Against that backdrop, the main FX pairs remained very tightly range bound throughout the European trading session. All of the action in EUR/USD was contained within the top half of the \$1.18-1.19 corridor. Similarly, GBP/USD operated in a narrow \$1.362-1.366 band. Meanwhile, EUR/GBP was confined to an even smaller 86.8-87p range. However, the dollar firmed somewhat overnight, as tensions between the US and Iran moved back into focus. As a result, EUR/USD opens this morning in the bottom half of \$1.18-1.19.

Already today, a raft of UK labour market data have been released. The unemployment rate rose to 5.2% in December, as anticipated. Elsewhere, average earnings growth slowed to +4.2% y/y in Q4 (vs. +4.6% f'cast). Sterling has been on the defensive following the release, with EUR/GBP moving above the 87p mark and GBP/USD dropping below the \$1.36 threshold.

The remainder of today's schedule is limited. In the Eurozone, the main highlight will be the German ZEW reading for February. Meantime, the NY Fed/Empire State index and NAHB Homebuilder sentiment (both February) are due in the US.

**Daniel Noonan, Economist, AIB**



| Today's Opening FX Rates |        |          |       |
|--------------------------|--------|----------|-------|
| % Change                 |        |          |       |
|                          | Day *  | End 2025 |       |
| EUR/USD                  | 1.1835 | -0.24    | 0.77  |
| EUR/GBP                  | 0.872  | 0.26     | 0.06  |
| GBP/USD                  | 1.3568 | -0.51    | 0.71  |
| GBP/EUR                  | 1.1462 | -0.26    | -0.06 |
| USD/JPY                  | 152.89 | -0.20    | -2.40 |
| EUR/JPY                  | 180.96 | -0.43    | -1.65 |

\* 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       | 3.39 | 3.49 | 3.58 |
| EUR                    | 2.00         | 1.95  | 2.00       | 2.14 | 2.18 | 2.41 |
| GBP                    | 3.75         | 3.73  | 3.61       | 3.43 | 3.67 | 3.87 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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

# Opening Levels

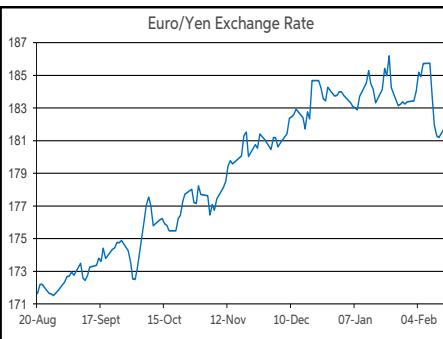
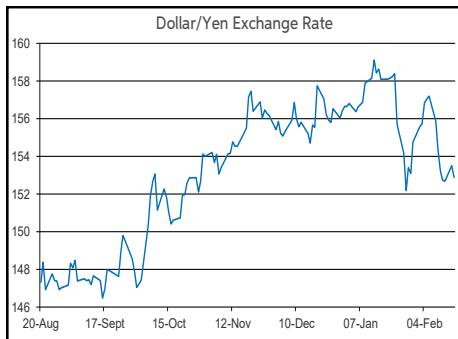
Tuesday 17 February 2026  
07:22 am



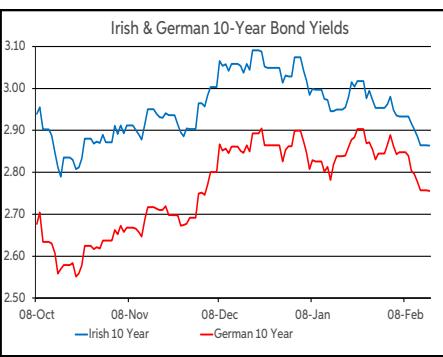
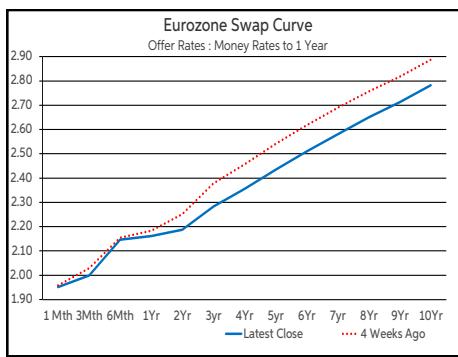
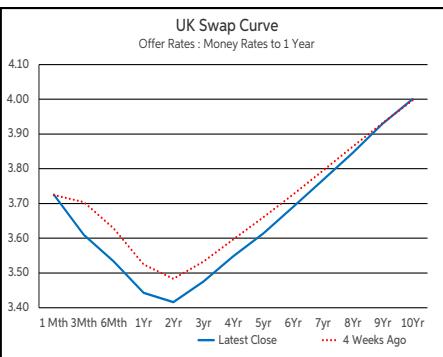
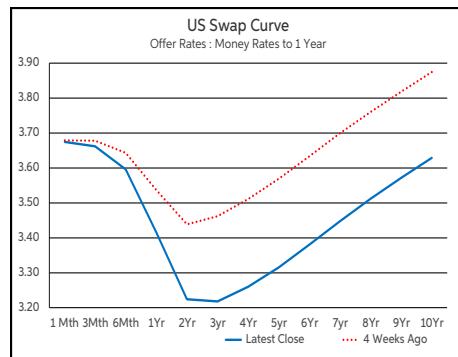
| Euro    |         |
|---------|---------|
| EUR/GBP | 0.872   |
| EUR/USD | 1.1835  |
| EUR/JPY | 180.96  |
| EUR/SEK | 10.6117 |
| EUR/DKK | 7.47    |
| EUR/NOK | 11.2633 |
| EUR/CHF | 0.9108  |
| EUR/AUD | 1.6765  |
| EUR/HKD | 9.2514  |
| EUR/CAD | 1.6156  |

| Sterling |         |
|----------|---------|
| GBP/EUR  | 1.1462  |
| GBP/USD  | 1.3568  |
| GBP/CAD  | 1.8518  |
| GBP/NZD  | 2.2488  |
| GBP/JPY  | 207.41  |
| GBP/SEK  | 12.1627 |
| GBP/DKK  | 8.561   |
| GBP/NOK  | 12.9206 |
| GBP/CHF  | 1.044   |
| GBP/AUD  | 1.9215  |

| Dollar  |        |
|---------|--------|
| USD/JPY | 152.89 |
| USD/CAD | 1.365  |
| USD/CHF | 0.7695 |
| USD/CNY | 6.908  |
| USD/BRL | 5.224  |
| USD/RUB | 76.85  |
| USD/INR | 90.748 |
| AUD/USD | 0.7059 |
| NZD/USD | 0.603  |



|   | Change bps |     |         |        |
|---|------------|-----|---------|--------|
|   | Close      | Day | 4 Weeks | End 25 |
| <b>10 Year Yield %</b>                                  |            |     |         |        |
| US  | 4.06       | -5  | -18     | -10    |
| Germany   | 2.76       | -0  | -8      | -11    |
| UK  | 4.40       | -2  | -1      | -7     |
| Ireland   | 2.86       | -0  | -9      | -16    |
| Belgium   | 3.16       | +0  | -12     | -19    |
| France  | 3.35       | +0  | -15     | -21    |
| Italy   | 3.38       | +0  | -5      | -13    |
| Spain   | 3.20       | +6  | -3      | -10    |
| Portugal  | 3.13       | +0  | -10     | -3     |
| Greece  | 3.36       | -0  | +1      | -12    |
| <b>5 Year Swap %</b>                                    |            |     |         |        |
| US  | 3.58       | +0  | -24     | -14    |
| Eurozone  | 2.42       | -1  | -11     | -14    |
| UK  | 3.87       | -1  | -3      | -3     |
| <b>2 Year Swap %</b>                                    |            |     |         |        |
| US  | 3.49       | -0  | -19     | -8     |
| Eurozone  | 2.18       | +1  | -6      | -8     |
| UK  | 3.67       | -0  | -6      | -6     |
| <b>10 Year Government Bond Spreads to Benchmark bps</b> |            |     |         |        |
| Ireland   | 11         | +0  | -1      | -6     |
| Belgium   | 40         | +0  | -3      | -8     |
| France  | 59         | +0  | -7      | -11    |
| Italy   | 62         | +1  | +4      | -3     |
| Spain   | 44         | +6  | +5      | +1     |
| Portugal  | 37         | +0  | -2      | +7     |
| Greece  | 61         | -0  | +10     | -1     |



|                | % Change |       |         |        |
|----------------|----------|-------|---------|--------|
|                | Close    | Day   | 4 Weeks | End 25 |
| Brent Oil      | 68.65    | +1.33 | +7.37   | +12.82 |
| West Texas Oil | 71.65    | -0.17 | -1.90   | -1.27  |
| Gold \$        | 4992.1   | -0.99 | +6.90   | +15.72 |

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.