

## Softer tone to sterling

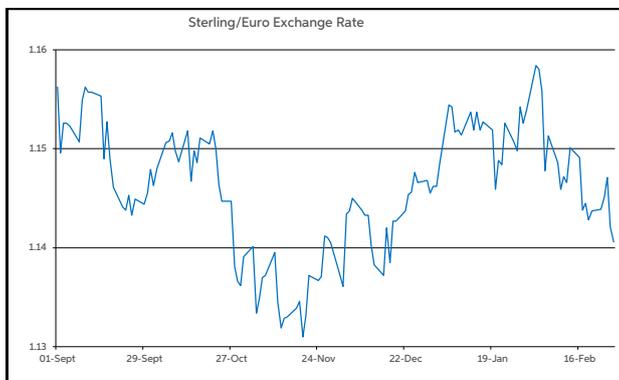
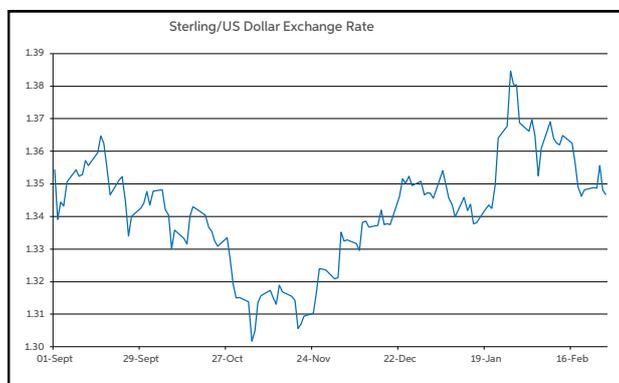
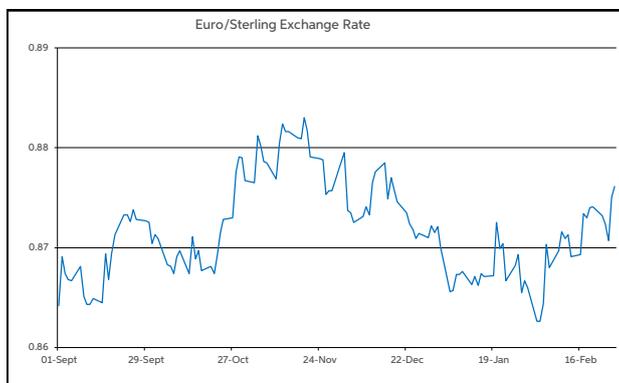
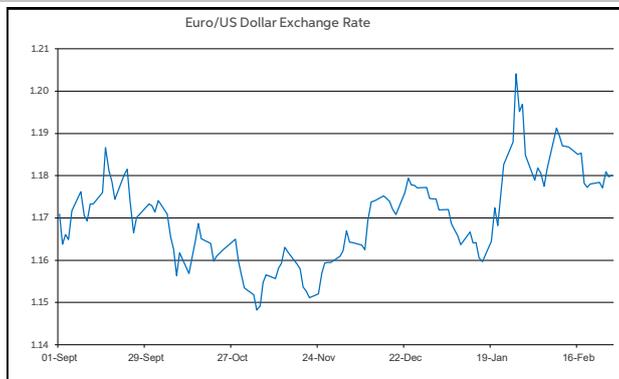
The recent improvement in risk appetite saw some reversal yesterday, with a more cautious tone to proceedings. The risk averse mood was reflected in the main equity indices moving lower on both sides of the Atlantic. In Europe, the Euro Stoxx 50 fell by a modest 0.2%. At the closing bell on Wall Street last night, the S&P 500 was 0.5% lower on the day.

This was against the backdrop of geopolitical uncertainty in relation to US-Iran tensions/negotiations. Meantime, the newsflow from yesterday's macro data releases was mixed. The Eurozone EC economic sentiment survey for February disappointed to the downside of expectations. The headline number was dragged lower by weakness in the services and construction sectors. Meanwhile, the main US publication was the weekly jobless claims report. The 'initial' claims figure rose by less than forecast, providing further signs that layoffs remain relatively subdued in the US labour market. However, it must be noted that other indicators suggest that hiring levels are also muted.

On the currency front, most of the main pairs were confined to narrow ranges yesterday. This pattern has continued in overnight trading on Asia-Pacific markets. Of the limited moves to register over this 24 hour period, the UK pound is slightly weaker as sterling watchers awaited and then digested the news that Prime Minister Starmer's Labour party lost a by-election. In level terms, EUR/GBP opens this morning above the midpoint of the 87-88p band, while GBP/USD has fallen back below \$1.35. Elsewhere, EUR/USD remains in and around \$1.18 and USD/JPY is straddling the ¥156 handle.

Turning to the day ahead, there is an 'inflation' theme to the macro calendar to bring the week to a close. We get the flash reading of HICP inflation from Germany. There is also an inflation update scheduled from the US, with PPI figures for January being released.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1801	-0.15	0.48
EUR/GBP	0.8761	0.52	0.53
GBP/USD	1.3468	-0.67	-0.04
GBP/EUR	1.141	-0.51	-0.53
USD/JPY	155.92	0.00	-0.47
EUR/JPY	184.03	-0.15	0.02

\* 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	3.43	3.54	3.55
EUR	2.00	1.93	2.01	2.15	2.18	2.39
GBP	3.75	3.67	3.57	3.39	3.63	3.80

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

Friday 27 February 2026  
07:07 am



## Euro

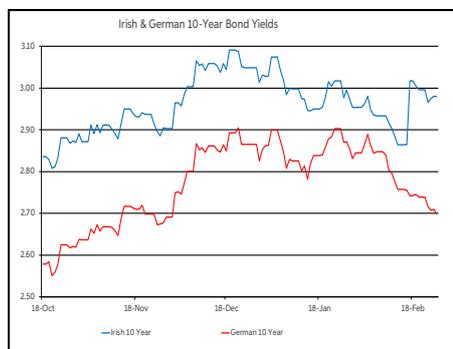
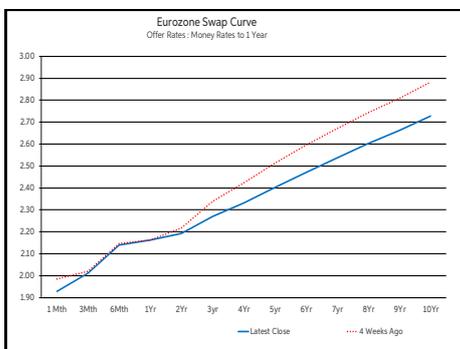
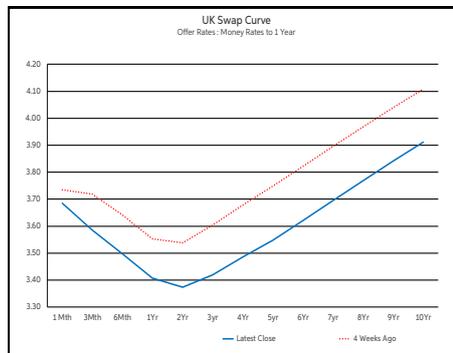
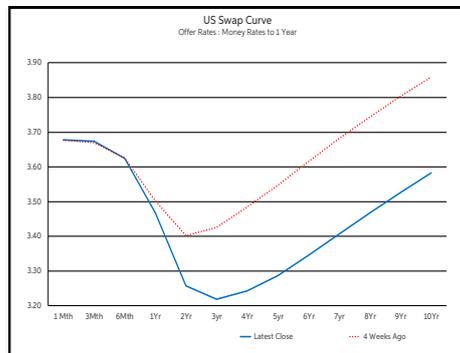
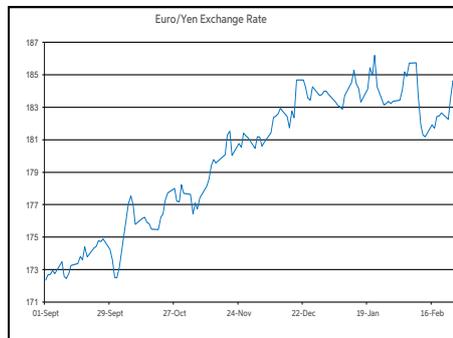
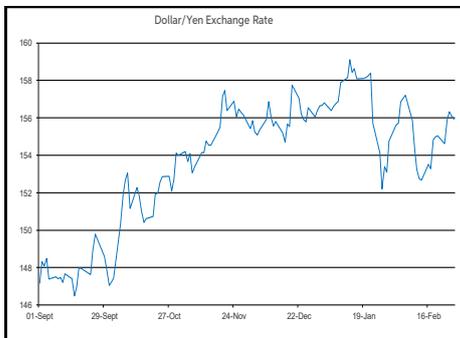
EUR/GBP	0.8761
EUR/USD	1.1801
EUR/JPY	184.03
EUR/SEK	10.6771
EUR/DKK	7.4722
EUR/NOK	11.2527
EUR/CHF	0.9125
EUR/AUD	1.6559
EUR/HKD	9.2338
EUR/CAD	1.6128

## Sterling

GBP/EUR	1.141
GBP/USD	1.3468
GBP/CAD	1.8404
GBP/NZD	2.2476
GBP/JPY	209.98
GBP/SEK	12.1847
GBP/DKK	8.5245
GBP/NOK	12.8416
GBP/CHF	1.0415
GBP/AUD	1.8895

## Dollar

USD/JPY	155.92
USD/CAD	1.3667
USD/CHF	0.7732
USD/CNY	6.856
USD/BRL	5.14
USD/RUB	77
USD/INR	90.941
AUD/USD	0.7125
NZD/USD	0.5988



## Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 25
<b>10 Year Yield %</b>				
US	4.02	-3	-21	-14
Germany	2.70	-1	-13	-16
UK	4.28	-4	-24	-20
<b>5 Year Swap %</b>				
US	3.56	-4	-24	-17
Eurozone	2.39	-1	-11	-17
UK	3.79	-3	-19	-10
<b>2 Year Swap %</b>				
US	3.52	-3	-13	-5
Eurozone	2.19	+0	-2	-7
UK	3.62	-3	-16	-11
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	28	+1	+16	+12
Belgium	37	-0	-4	-11
France	55	+0	-4	-15
Italy	61	+0	-1	-4
Spain	40	-0	+3	-3
Portugal	35	+0	-1	+5
Greece	61	-1	+10	-1

## Commodities

	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	70.75	-0.14	+0.06	+16.27
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	5186.9	+0.31	-3.86	+20.23

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.