

Sterling under modest pressure

The cautious tone to investor sentiment persisted across markets yesterday. On equity markets, the Euro Stoxx 50 registered a marginal 0.1% loss. Meanwhile, on Wall Street, the S&P 500 finished the day down by 0.3%. On bond markets, German Bund and US Treasury yields declined by 1-4bps. UK Gilt yields fell by a more pronounced 3-8bps along the curve.

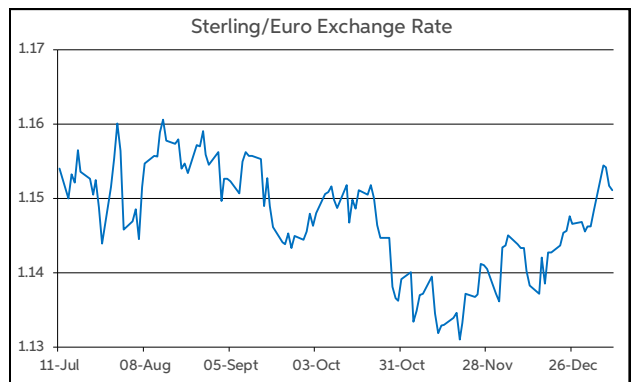
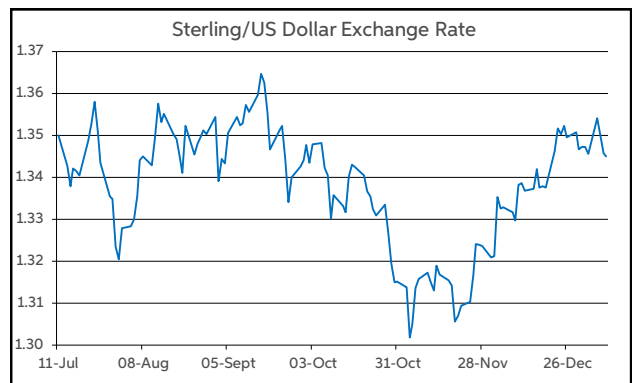
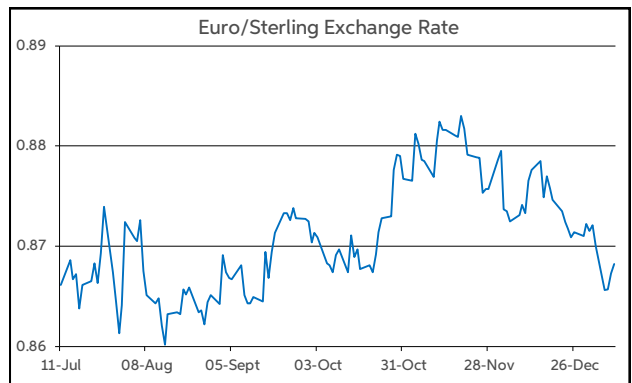
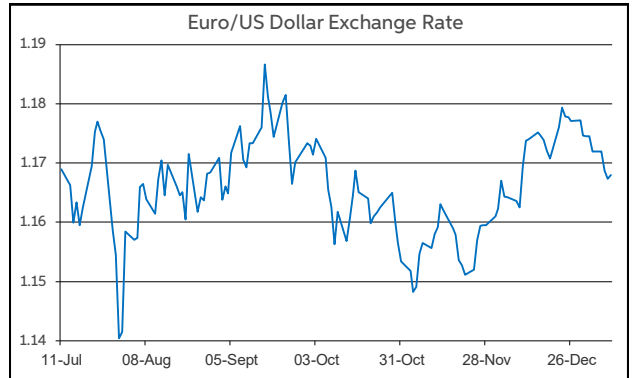
Data-wise, the flash estimate of Eurozone inflation for December printed in line with expectations. Both the headline and the core rate edged a tenth lower to 2.0% and 2.3%, respectively. Meantime in the US, the JOLTS job openings figure moved below 7.2m for the first time since September'24, while the ADP employment report showed that payrolls expanded by just 41k in December (vs. 47k f'cast). Both reports suggest that labour market conditions cooled further at the end of last year. On a more positive note, the US non-manufacturing ISM jumped to 54.4 in December (its highest level since October'24), amid an improvement in new orders and employment in the sector.

Against this backdrop, the main FX pairs operated within quite narrow trading ranges yesterday. Of the limited moves to note, sterling handed back some of its gains from earlier in the week. The pound shed around 0.3-0.4% versus the euro and the dollar.

In level terms, the softer tone to sterling sees EUR/GBP open today in the top half of the 86-87p trading band. GBP/USD is changing hands back at the midpoint of \$1.34-1.35. Meanwhile, EUR/USD remains in the top half of the \$1.16-1.17 corridor.

Turning to the day ahead, the focus will be on the Eurozone unemployment rate for November and the EC sentiment survey results for December. The jobless rate is expected to stay at 6.4%, while sentiment is projected to improve modestly. In the US, the latest weekly initial jobless claims data will garner some attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.168	-0.10	-0.55
EUR/GBP	0.8682	0.32	-0.38
GBP/USD	1.345	-0.41	-0.17
GBP/EUR	1.1513	-0.32	0.38
USD/JPY	156.5	0.08	-0.10
EUR/JPY	182.82	-0.02	-0.64

* 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	3.64	3.42	3.58	3.70
EUR	2.00	1.94	2.03	2.14	2.22	2.53
GBP	3.75	3.72	3.70	3.52	3.70	3.87

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 08 January 2026
07:51 am



Euro

EUR/GBP	0.8682
EUR/USD	1.168
EUR/JPY	182.82
EUR/SEK	10.7493
EUR/DKK	7.4717
EUR/NOK	11.8025
EUR/CHF	0.9314
EUR/AUD	1.7436
EUR/HKD	9.1005
EUR/CAD	1.6206

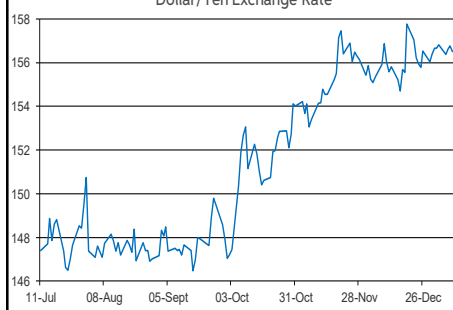
Sterling

GBP/EUR	1.1513
GBP/USD	1.345
GBP/CAD	1.8662
GBP/NZD	2.3367
GBP/JPY	210.49
GBP/SEK	12.3802
GBP/DKK	8.6029
GBP/NOK	13.592
GBP/CHF	1.0724
GBP/AUD	2.0075

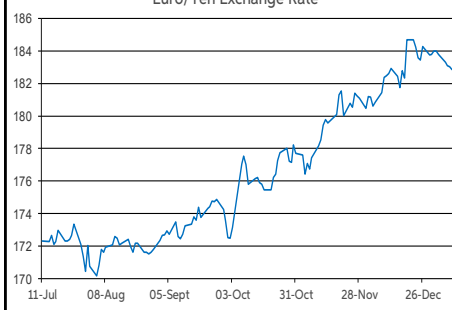
Dollar

USD/JPY	156.5
USD/CAD	1.3876
USD/CHF	0.7973
USD/CNY	6.9817
USD/BRL	5.3848
USD/RUB	80.4
USD/INR	89.927
AUD/USD	0.6698
NZD/USD	0.5753

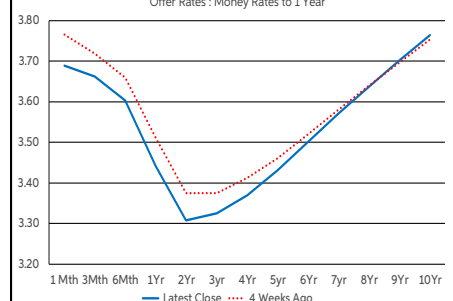
Dollar/Yen Exchange Rate



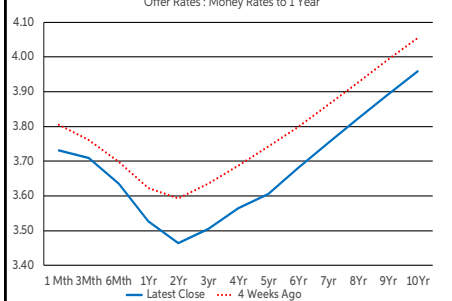
Euro/Yen Exchange Rate



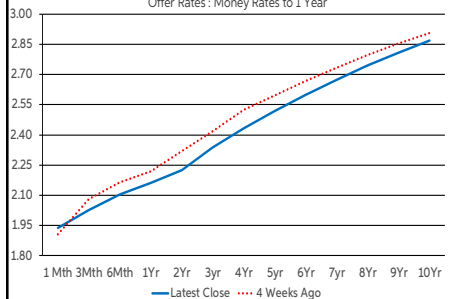
US Swap Curve
Offer Rates : Money Rates to 1 Year



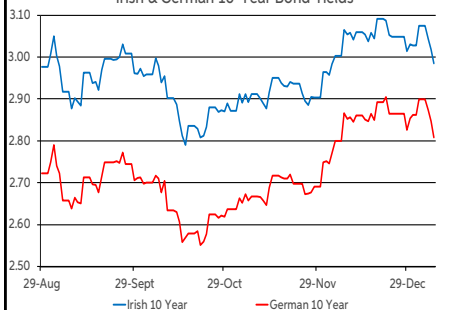
UK Swap Curve
Offer Rates : Money Rates to 1 Year



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	4.14	-4	-3	-1
Germany	2.81	-4	-5	-5
UK	4.42	-7	-9	-6
Ireland	2.98	-3	-7	-4
Belgium	3.30	-5	-7	-5
France	3.52	-4	-6	-4
Italy	3.47	-2	-9	-4
Spain	3.25	-2	-7	-4
Portugal	3.11	-4	-8	-5
Greece	3.41	-7	-9	-7
5 Year Swap %				
US	3.68	+0	-0	-5
Eurozone	2.50	-4	-8	-6
UK	3.86	-4	-11	-3
2 Year Swap %				
US	3.57	+1	-4	+0
Eurozone	2.22	+0	-10	-4
UK	3.70	-3	-12	-3
10 Year Government Bond Spreads to Benchmark bps				
Ireland	18	+1	-2	+1
Belgium	49	-1	-2	+1
France	71	+0	-1	+1
Italy	66	+1	-4	+1
Spain	44	+2	-2	+1
Portugal	31	+0	-3	+1
Greece	60	-3	-4	-1

Commodities

	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	59.96	-1.22	-3.62	-1.46
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4452.8	-0.98	+5.32	+3.21

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.