

## Dollar and yen under pressure

There was a subdued tone to investor sentiment yesterday. The main focus centred on the escalation in tensions between the US and the EU, following the weekend threat from President Trump to place tariffs on a number of NATO allies. Against this backdrop, the Euro Stoxx 50 fell by 1.7%. However, a market holiday in the US meant that the overall reaction to the weekend newsflow was limited.

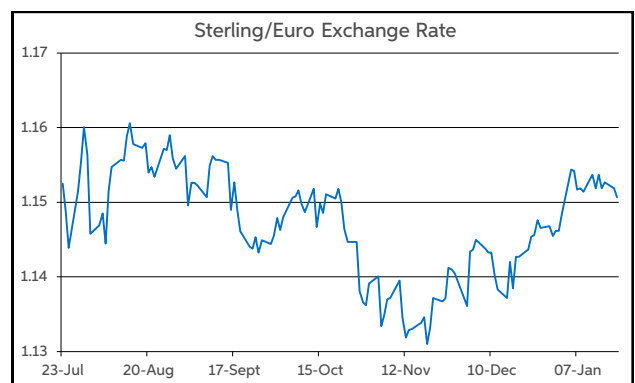
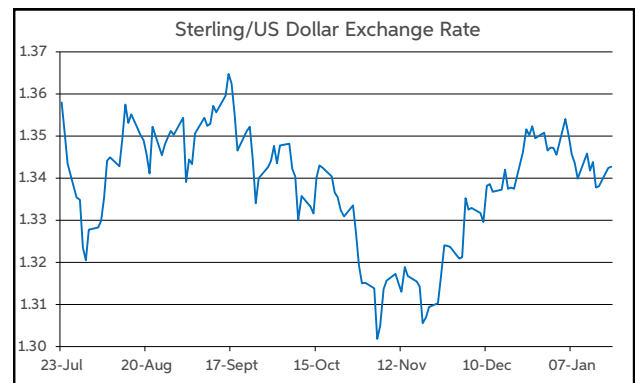
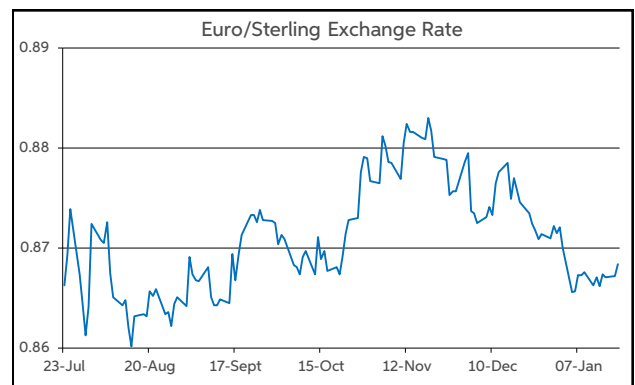
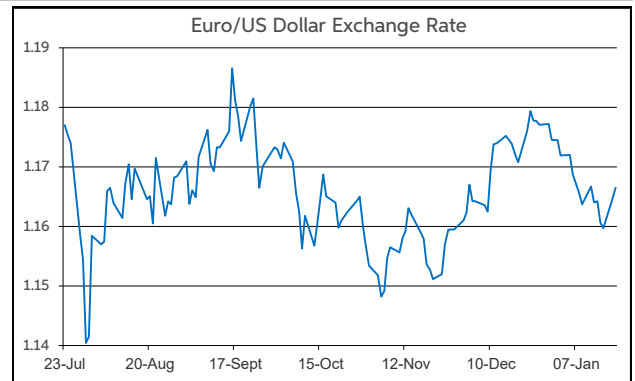
Data-wise, a sparse macro calendar at the start of the week also contributed to the muted price action. The only release of note yesterday was the final reading of Eurozone inflation for December. The headline rate was revised a touch lower than the initial estimate, to 1.9%, while the core rate was confirmed to be 2.3%. It means that Eurozone inflation averaged 2.1% in 2025, which is broadly in line with the ECB target, and down from 2.4% in 2024.

On the currency front, the main pairs were relatively range bound yesterday. Of the minor moves to register, the dollar was under some slight downward pressure. At the same time, the yen was also on the defensive, as PM Takaichi announced that there will be parliamentary elections at the start of February.

As trading gets underway this morning, EUR/USD is operating above the midpoint of the \$1.16-1.17 corridor. GBP/USD is changing hands north of the \$1.34 handle. Meanwhile, EUR/GBP remains in the top half of the 86-87p trading band. USD/JPY is up near the halfway mark of the ¥158-159 range.

Already this morning, UK labour market data for November/December have been released. The unemployment rate remained at 5.1% in November, as expected. Later today, the main highlight will be the German ZEW for January. Elsewhere, investors will be keeping a close eye on remarks pertaining to ongoing tensions between the EU & US regarding Greenland.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1665	0.33	-0.68
EUR/GBP	0.8684	0.05	-0.36
GBP/USD	1.3427	0.25	-0.34
GBP/EUR	1.151	-0.05	0.36
USD/JPY	158.47	0.36	1.16
EUR/JPY	184.88	0.71	0.48

\* 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	3.66	3.50	3.72	3.85
EUR	2.00	1.99	2.03	2.17	2.26	2.56
GBP	3.75	3.73	3.70	3.51	3.74	3.91

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
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# Opening Levels

Tuesday 20 January 2026  
07:04 am



## Euro

EUR/GBP	0.8684
EUR/USD	1.1665
EUR/JPY	184.88
EUR/SEK	10.7249
EUR/DKK	7.471
EUR/NOK	11.716
EUR/CHF	0.9287
EUR/AUD	1.732
EUR/HKD	9.0967
EUR/CAD	1.6159

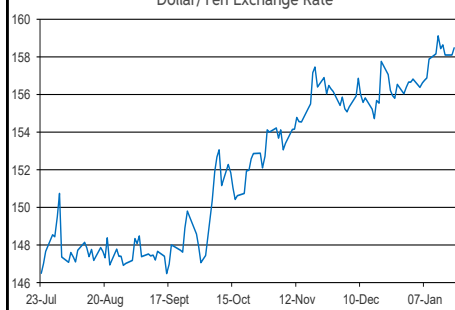
## Sterling

GBP/EUR	1.151
GBP/USD	1.3427
GBP/CAD	1.86
GBP/NZD	2.3022
GBP/JPY	212.78
GBP/SEK	12.3445
GBP/DKK	8.5981
GBP/NOK	13.4848
GBP/CHF	1.0689
GBP/AUD	1.9937

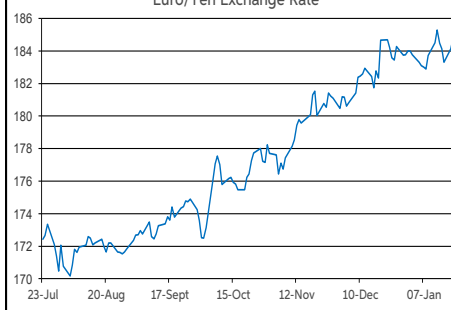
## Dollar

USD/JPY	158.47
USD/CAD	1.3854
USD/CHF	0.7961
USD/CNY	6.9604
USD/BRL	5.3697
USD/RUB	77.65
USD/INR	91.005
AUD/USD	0.6732
NZD/USD	0.5829

Dollar/Yen Exchange Rate

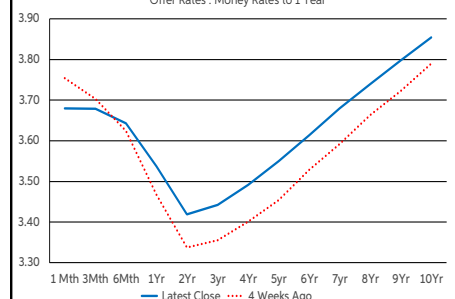


Euro/Yen Exchange Rate



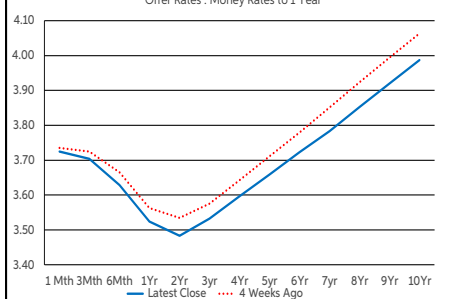
US Swap Curve

Offer Rates : Money Rates to 1 Year



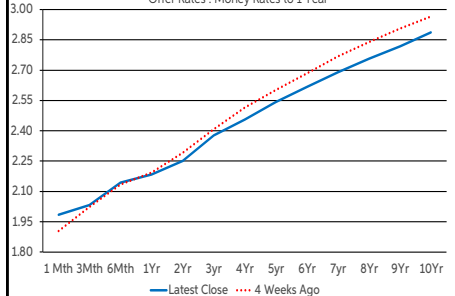
UK Swap Curve

Offer Rates : Money Rates to 1 Year

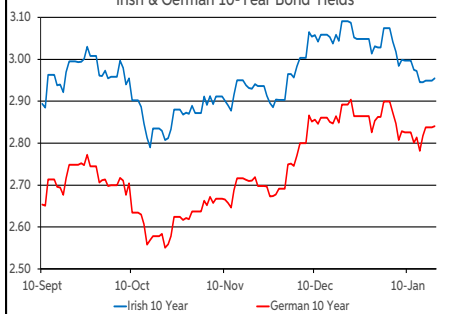


Eurozone Swap Curve

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	4.23	+7	+6	+8
Germany	2.84	+0	-6	-2
UK	4.42	+2	-12	-6
Ireland	2.95	+1	-13	-7
Belgium	3.28	-1	-12	-7
France	3.50	-2	-13	-6
Italy	3.43	+1	-14	-8
Spain	3.23	+0	-12	-7
Portugal	3.23	+1	+2	+7
Greece	3.35	-0	-17	-13
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5 Year Swap %				
US	3.82	-1	+15	+9
Eurozone	2.53	-1	-7	-4
UK	3.90	+1	-5	+1
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2 Year Swap %				
US	3.68	-1	+11	+11
Eurozone	2.25	-2	-4	-1
UK	3.72	-1	-4	-1
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10 Year Government Bond Spreads to Benchmark bps				
Ireland	11	+0	-7	-5
Belgium	44	-1	-6	-4
France	66	-2	-6	-4
Italy	59	+1	-8	-6
Spain	39	+0	-5	-4
Portugal	39	+0	+8	+9
Greece	51	-1	-11	-11

## Commodities

	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	63.94	-0.30	+3.01	+5.08
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4669.7	+1.63	+5.05	+8.24

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