

# Morning Comment

AIB Treasury Economic Research Unit



Wednesday 21 January 2026  
07:03 am

## EUR/USD up above \$1.17

The risk averse tone to investor sentiment continued yesterday, as US markets re-opened following the long weekend across the Atlantic. Geopolitics/tensions regarding Greenland between the US and Europe were front and centre once again. Against this backdrop, the Euro Stoxx 50 declined by 0.6%. On Wall Street, the S&P 500 shed 2.1% on the day.

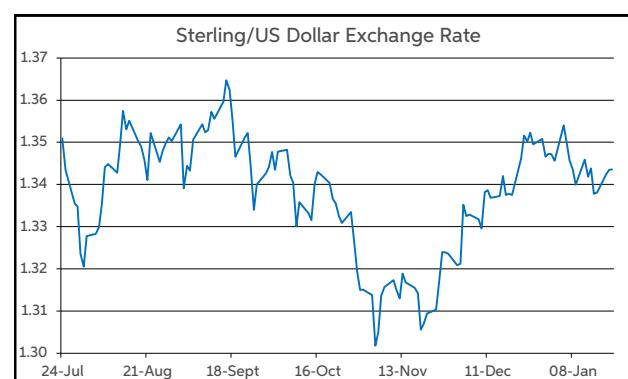
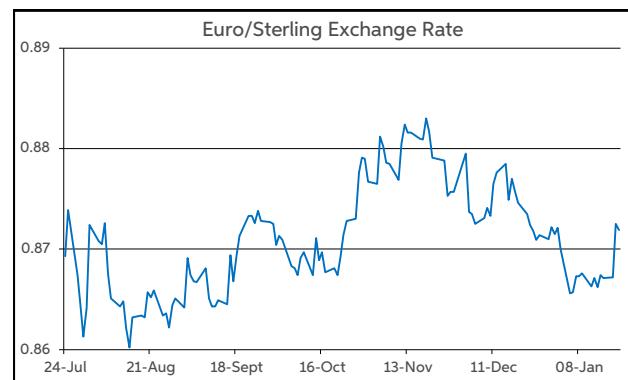
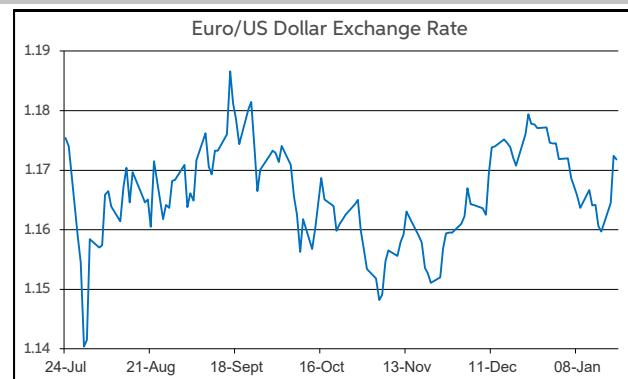
On the data front, the macro calendar remained rather sparse yesterday. The only release of any note, the German ZEW economic sentiment indicator, printed above the consensus, rising to 59.6 (vs. 50 fcast), its highest level since July 2021. However, the release had no major market impact.

Currency-wise, the dollar was on the defensive. The greenback was down by circa 0.2-0.6% against the euro, sterling and yen at the European close. However, the dollar recouped some of its losses overnight. Elsewhere, the euro has been in the ascendancy over the past 24 hours.

In level terms, the firmer tone to the euro and the weaker dollar is evidenced by EUR/USD opening this morning above the \$1.17 threshold. GBP/USD is changing hands in the lower half of the \$1.34-1.35 corridor. Meanwhile, EUR/GBP is trading north of the 87p mark. USD/JPY is operating in and around the ¥158 handle.

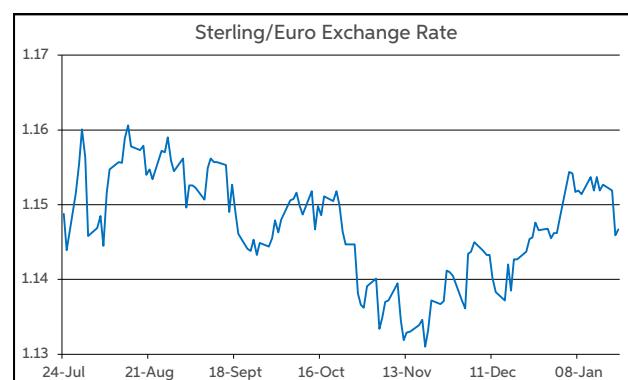
Already today, UK CPI inflation data for December have been released. The headline rate rose to 3.4% (vs. 3.3% fcast), while the core rate remained at 3.2% (vs. 3.3% fcast). Overall, inflation averaged 3.5% last year, down from 3.7% in 2024. The remainder of today's data schedule lacks any top tier releases. Meantime, the focus will remain on EU-US tensions, with President Trump set to arrive at the World Economic Forum. On the monetary policy front, remarks from ECB President Lagarde will also be of interest.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
	% Change		
	Day *	End 2025	
EUR/USD	1.1718	0.48	-0.23
EUR/GBP	0.8719	0.51	0.05
GBP/USD	1.3436	-0.02	-0.27
GBP/EUR	1.1465	-0.50	-0.05
USD/JPY	158.15	0.04	0.96
EUR/JPY	185.32	0.50	0.72

\* 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	3.67	3.50	3.69	3.84
EUR	2.00	1.96	2.03	2.16	2.24	2.53
GBP	3.75	3.71	3.69	3.51	3.74	3.94

All rates quoted are indicative market rates

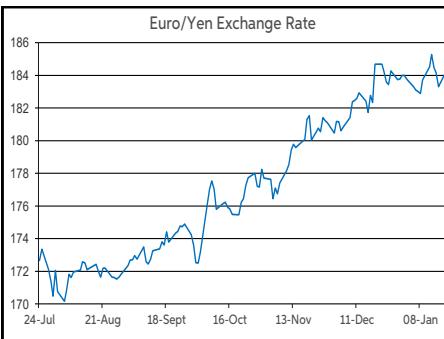
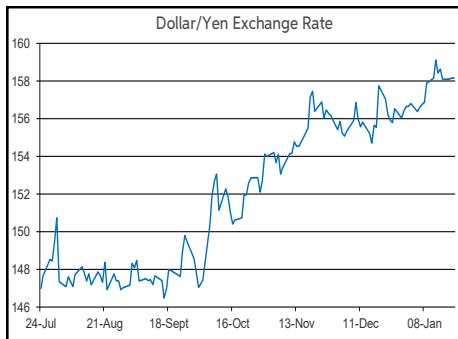
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FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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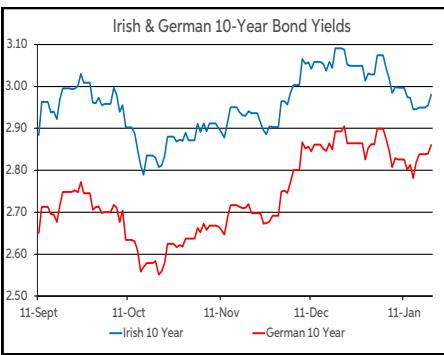
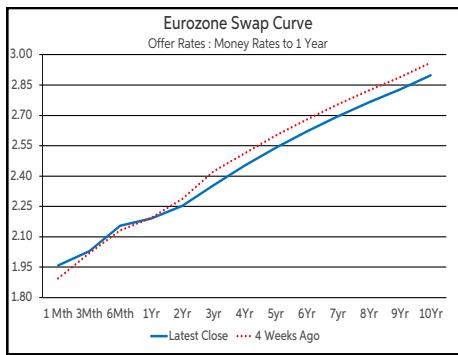
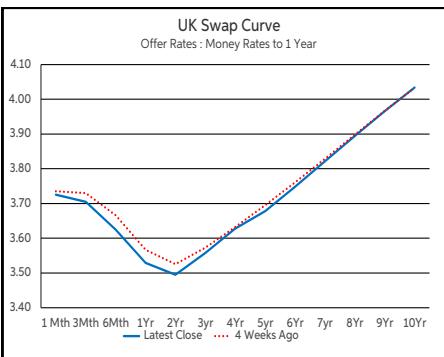
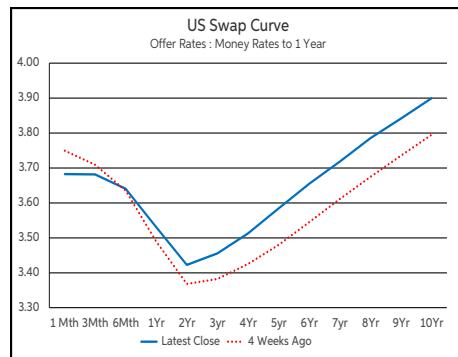
Euro	
EUR/GBP	0.8719
EUR/USD	1.1718
EUR/JPY	185.32
EUR/SEK	10.683
EUR/DKK	7.4703
EUR/NOK	11.6964
EUR/CHF	0.9267
EUR/AUD	1.7367
EUR/HKD	9.1368
EUR/CAD	1.6205

Sterling	
GBP/EUR	1.1465
GBP/USD	1.3436
GBP/CAD	1.858
GBP/NZD	2.2973
GBP/JPY	212.49
GBP/SEK	12.2494
GBP/DKK	8.5669
GBP/NOK	13.4151
GBP/CHF	1.063
GBP/AUD	1.9907

Dollar	
USD/JPY	158.15
USD/CAD	1.383
USD/CHF	0.7908
USD/CNY	6.9641
USD/BRL	5.3754
USD/RUB	77.8
USD/INR	91.57
AUD/USD	0.6744
NZD/USD	0.5846



	Change bps			
	Close	Day	4 Weeks	End 25
<b>10 Year Yield %</b>				
US	4.30	+6	+13	+14
Germany	2.86	+2	-0	-0
UK	4.46	+4	-5	-2
Ireland	2.98	+3	-7	-5
Belgium	3.31	+3	-4	-3
France	3.53	+3	-4	-3
Italy	3.46	+4	-6	-5
Spain	3.25	+3	-4	-4
Portugal	3.25	+2	+9	+9
Greece	3.39	+4	-10	-9
<b>5 Year Swap %</b>				
US	3.85	+3	+16	+12
Eurozone	2.52	-0	-6	-4
UK	3.93	+3	-1	+3
<b>2 Year Swap %</b>				
US	3.69	+1	+7	+11
Eurozone	2.22	-3	-7	-4
UK	3.73	+1	-4	+0
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	12	+1	-7	-5
Belgium	45	+1	-4	-3
France	67	+1	-3	-3
Italy	60	+2	-5	-5
Spain	39	+1	-3	-4
Portugal	39	+0	+9	+9
Greece	53	+2	-10	-8



	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	64.92	+1.53	+4.07	+6.69
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4763.2	+2.00	+6.14	+10.41

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