

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.

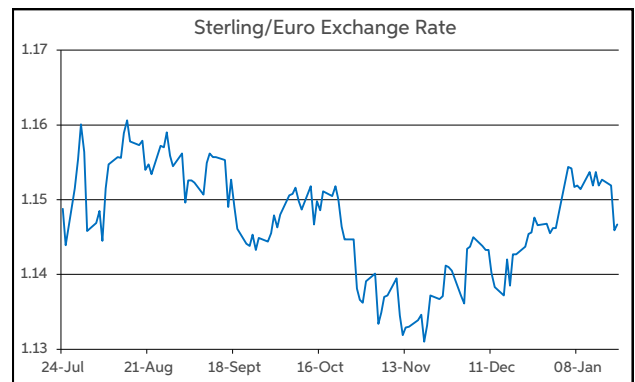
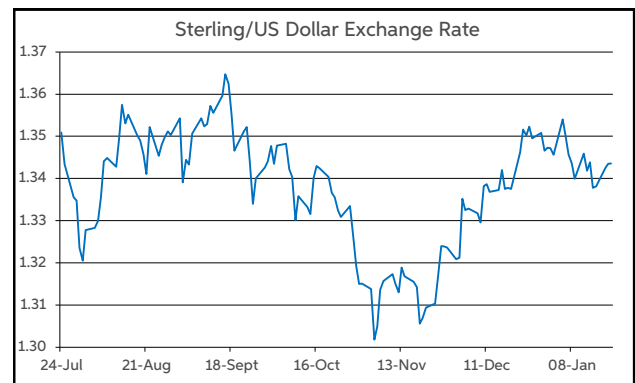
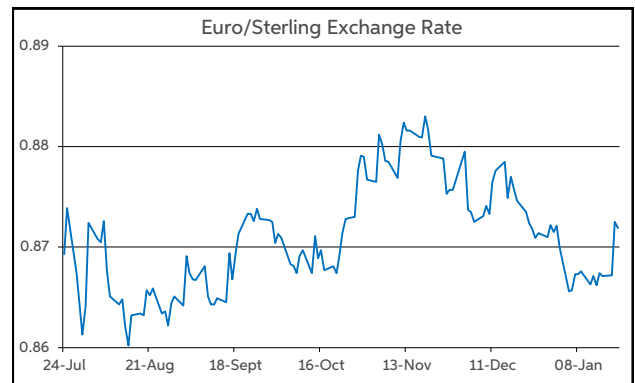
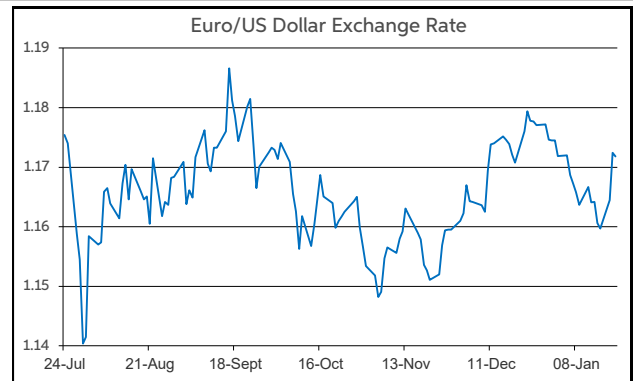
On the data front, the macro calendar remained rather sparse yesterday. The only release of any note, the German ZEW economic sentiment indicator, printed above the consensus, rising to 59.6 (vs. 50 f'cast), its highest level since July 2021. However, the release had no major market impact.

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% f'cast), while the core rate remained at 3.2% (vs. 3.3% f'cast). 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

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

Wednesday 21 January 2026
07:03 am



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 |

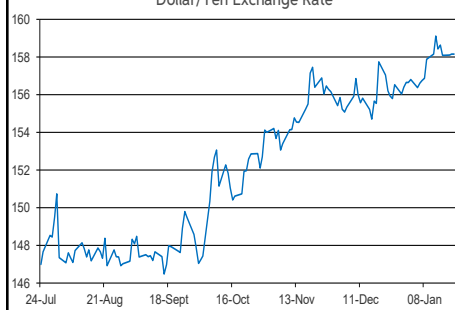
Sterling

| | |
|---------|---------|
| 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 |

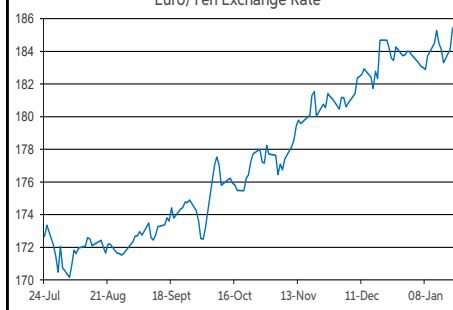
Dollar

| | |
|---------|--------|
| 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 |

Dollar/Yen Exchange Rate

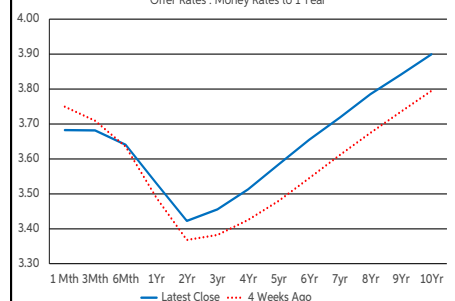


Euro/Yen Exchange Rate



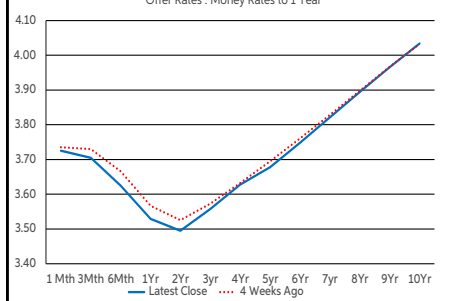
US Swap Curve

Offer Rates : Money Rates to 1 Year



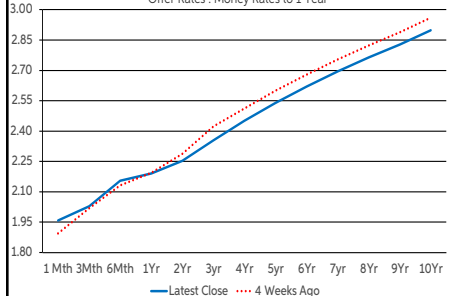
UK Swap Curve

Offer Rates : Money Rates to 1 Year

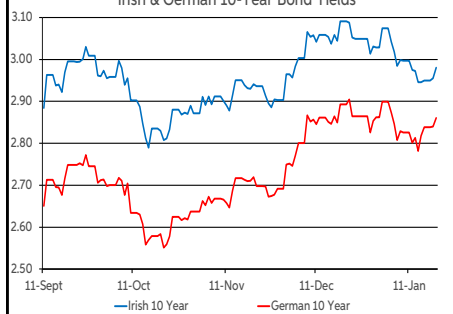


Eurozone Swap Curve

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 | 4.30 | +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 |
| 5 Year Swap % | | | | |
| US | 3.85 | +3 | +16 | +12 |
| Eurozone | 2.52 | -0 | -6 | -4 |
| UK | 3.93 | +3 | -1 | +3 |
| 2 Year Swap % | | | | |
| US | 3.69 | +1 | +7 | +11 |
| Eurozone | 2.22 | -3 | -7 | -4 |
| UK | 3.73 | +1 | -4 | +0 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| 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 |

Commodities

| | % 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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