

Morning Comment

AIB Treasury Economic Research Unit



Tuesday 27 January 2026
06:53 am

EUR/USD tests \$1.19

There was a calmer mood on markets yesterday. Against this backdrop, the Euro Stoxx 50 registered a modest 0.2% gain. Meantime on Wall Street, the S&P 500 moved 0.5% higher. In terms of fixed income, European sovereign bond yields fell by 2-5bps. US Treasury yields were 0-3bps lower along the curve.

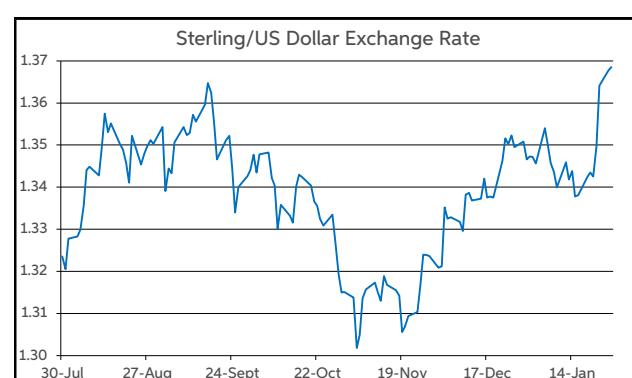
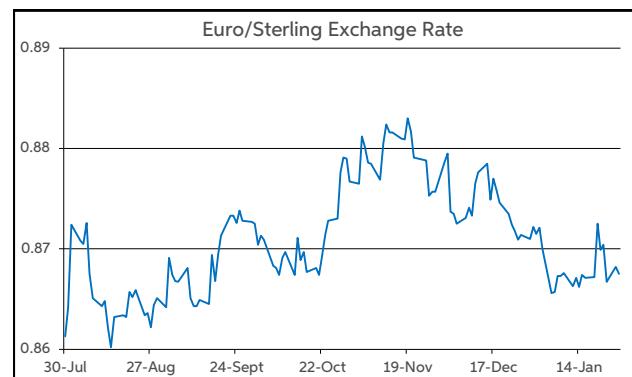
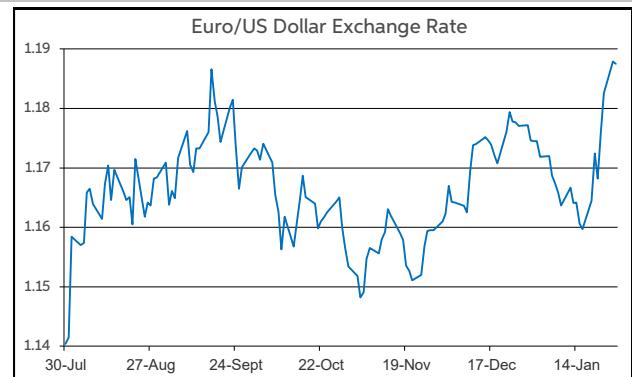
On the data front, the calendar was relatively quiet. The main release of note was the bellwether German Ifo for January. The main index was unchanged in January, at 87.6 (vs. 88.2 fcast). Elsewhere, US durable goods orders jumped by 5.3% in November (vs.+3.2% fcast), supported by a sharp 6.6% rise in defence sector orders. However, neither release had a major impact on proceedings.

Currency-wise, the main pairs were range bound yesterday. Overall, the dollar remained on the defensive. The greenback steadied somewhat in the early part of the European session but came under fresh selling pressure as the day progressed. The potential for a partial government shutdown starting on Friday, and speculation that US authorities co-ordinated with their Japanese counterparts to boost the yen, weighed on the US unit. However, the dollar moved off its lows overnight.

In level terms, EUR/USD opens this morning up in the top half of the \$1.18-1.19 range, having tested above \$1.19 yesterday. GBP/USD is changing hands just below the \$1.37 threshold. Meantime, EUR/GBP remains in the upper region of the 86-87p corridor. USD/JPY is near the halfway mark of ¥154-155.

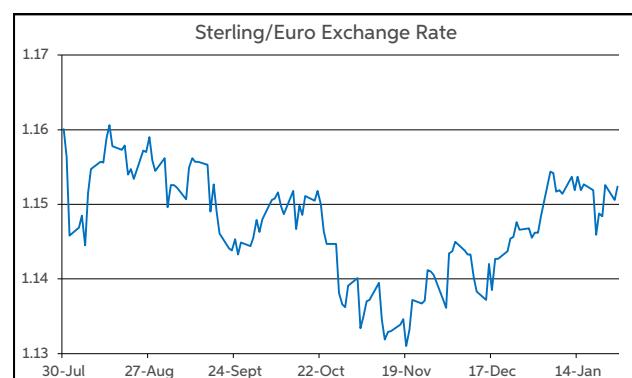
Turning to the day ahead, the macro calendar is muted on both sides of the Atlantic. The only release of note is the US Conference Board measure of consumer confidence for January. A slight improvement is pencilled in for the month. However, barring any major surprises, the release is unlikely to impact the dollar.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|-------|
| % Change | | | |
| | Day * | End 2025 | |
| EUR/USD | 1.1875 | 0.10 | 1.11 |
| EUR/GBP | 0.8675 | -0.05 | -0.46 |
| GBP/USD | 1.3686 | 0.16 | 1.58 |
| GBP/EUR | 1.1523 | 0.05 | 0.46 |
| USD/JPY | 154.45 | 0.23 | -1.40 |
| EUR/JPY | 183.43 | 0.32 | -0.30 |

* 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 | 3.51 | 3.72 | 3.84 |
| EUR | 2.00 | 1.96 | 2.04 | 2.18 | 2.27 | 2.57 |
| GBP | 3.75 | 3.71 | 3.70 | 3.55 | 3.80 | 4.00 |

All rates quoted are indicative market rates

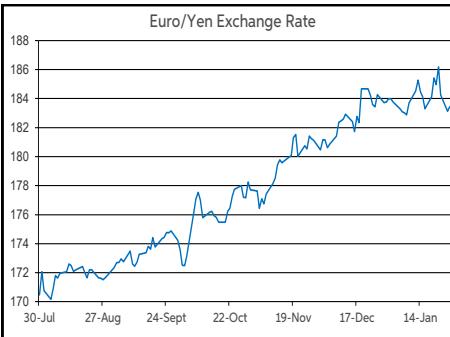
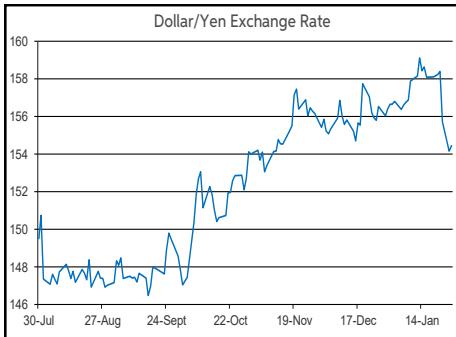
See Next Page For More Rates & Charts

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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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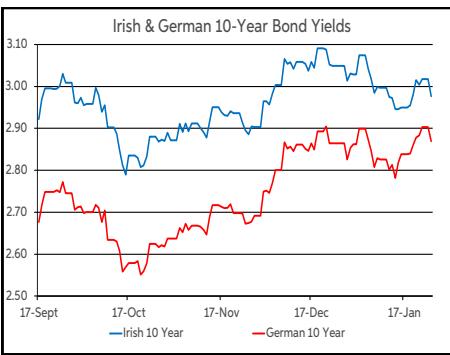
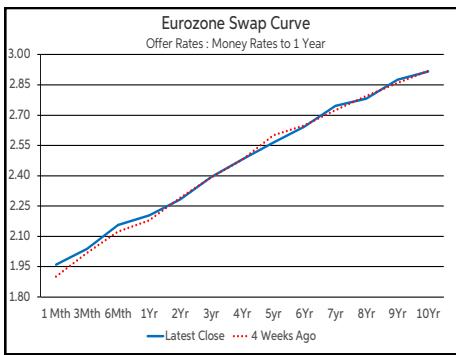
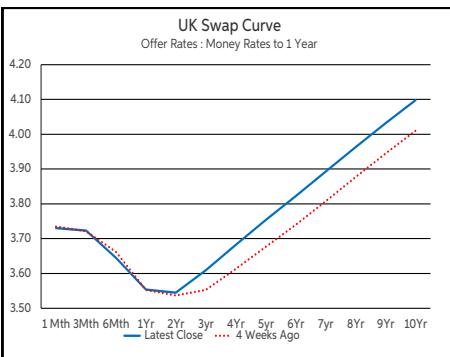
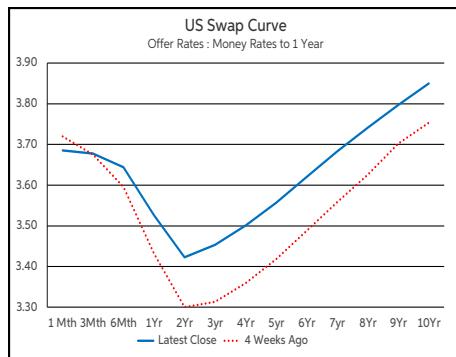
| Euro | |
|---------|---------|
| EUR/GBP | 0.8675 |
| EUR/USD | 1.1875 |
| EUR/JPY | 183.43 |
| EUR/SEK | 10.6144 |
| EUR/DKK | 7.4683 |
| EUR/NOK | 11.6103 |
| EUR/CHF | 0.9224 |
| EUR/AUD | 1.7164 |
| EUR/HKD | 9.2613 |
| EUR/CAD | 1.6307 |

| Sterling | |
|----------|---------|
| GBP/EUR | 1.1523 |
| GBP/USD | 1.3686 |
| GBP/CAD | 1.8793 |
| GBP/NZD | 2.2918 |
| GBP/JPY | 211.38 |
| GBP/SEK | 12.2306 |
| GBP/DKK | 8.6042 |
| GBP/NOK | 13.3798 |
| GBP/CHF | 1.063 |
| GBP/AUD | 1.978 |

| Dollar | |
|---------|--------|
| USD/JPY | 154.45 |
| USD/CAD | 1.3733 |
| USD/CHF | 0.7767 |
| USD/CNY | 6.9571 |
| USD/BRL | 5.281 |
| USD/RUB | 76.75 |
| USD/INR | 91.813 |
| AUD/USD | 0.6917 |
| NZD/USD | 0.5968 |



| | Change bps | | | |
|---------------------------------------------------------|------------|-----|---------|--------|
| | Close | Day | 4 Weeks | End 25 |
| 10 Year Yield % | | | | |
| US | 4.21 | -3 | +10 | +6 |
| Germany | 2.87 | -3 | +4 | +1 |
| UK | 4.50 | -2 | +1 | +3 |
| Ireland | 2.98 | -4 | -4 | -5 |
| Belgium | 3.27 | -4 | -5 | -8 |
| France | 3.44 | -5 | -9 | -12 |
| Italy | 3.47 | -4 | +1 | -4 |
| Spain | 3.23 | -4 | -2 | -6 |
| Portugal | 3.23 | -3 | +11 | +7 |
| Greece | 3.35 | -4 | -8 | -13 |
| 5 Year Swap % | | | | |
| US | 3.82 | +0 | +19 | +10 |
| Eurozone | 2.55 | -3 | -1 | -1 |
| UK | 4.00 | -1 | +8 | +10 |
| 2 Year Swap % | | | | |
| US | 3.68 | -1 | +13 | +11 |
| Eurozone | 2.24 | -4 | -2 | -1 |
| UK | 3.80 | +1 | +5 | +7 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 11 | -1 | -8 | -6 |
| Belgium | 40 | -1 | -10 | -9 |
| France | 57 | -2 | -13 | -13 |
| Italy | 61 | -1 | -4 | -4 |
| Spain | 36 | -1 | -7 | -7 |
| Portugal | 36 | +0 | +7 | +6 |
| Greece | 48 | -1 | -13 | -14 |



| | % Change | | | |
|----------------|----------|-------|---------|--------|
| | Close | Day | 4 Weeks | End 25 |
| Brent Oil | 65.59 | -0.44 | +5.89 | +7.79 |
| West Texas Oil | 71.65 | -0.17 | -1.90 | -1.27 |
| Gold \$ | 5014.3 | +0.64 | +15.76 | +16.23 |

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