

# Morning Comment

AIB Treasury Economic Research Unit



Tuesday 03 March 2026  
06:23 am

## Dollar remains to the fore

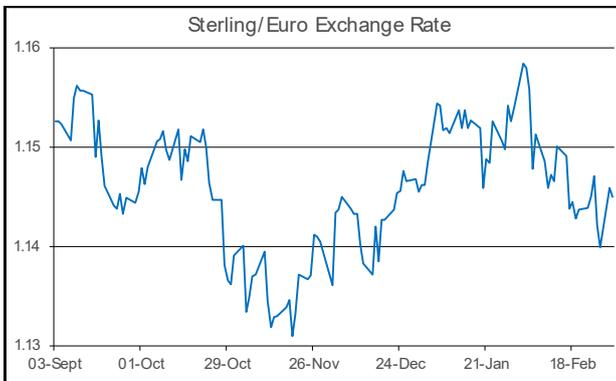
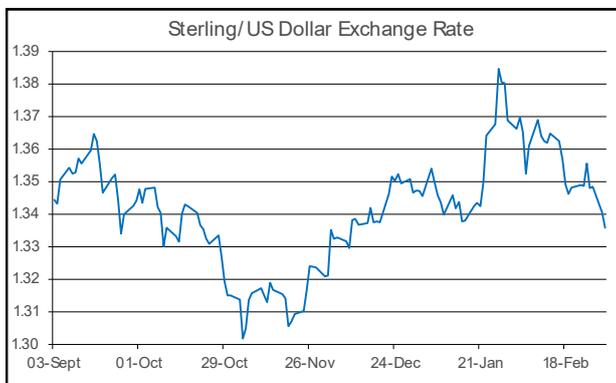
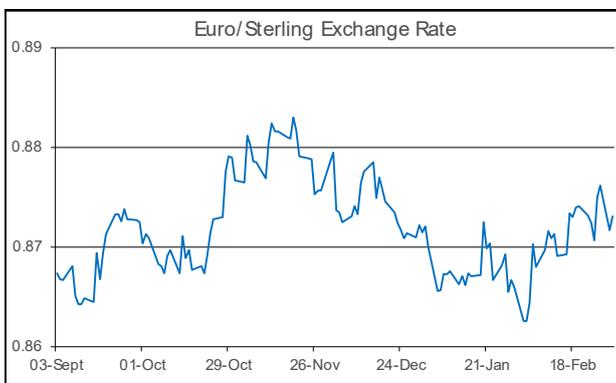
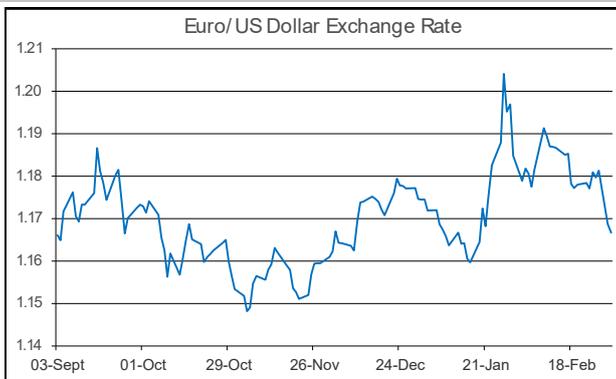
Trading conditions have been choppy over the past 24 hours, as investors reacted to news flow regarding the conflict in the Middle East. For the most part, there was a risk-off mood on markets throughout the European session, as fears of a widening and protracted conflict saw oil and natural gas prices spike higher. This in-turn, led to European equity indices moving sharply lower, with the Euro Stoxx 50 falling by 2.5%. However, as oil prices moved off their peak, risk appetite improved somewhat. At the closing bell on Wall Street, the S&P 500 was flat for the day.

Overnight though, investor sentiment has soured once again. Reports that the US embassy in Riyadh had been struck in a drone attack contributed to a sell-off on equity markets in Asia-Pacific trading. Meanwhile, threats that Iran will close-off the Strait of Hormuz, a global archery for oil and gas exports, has pushed commodity prices higher again. Brent crude is currently at \$80 per barrel, while natural gas prices (especially in Europe) have also increased. Meantime, shipping rates have risen markedly, pushing bond yields higher, amid the re-emergence of inflation concerns.

Against this backdrop, there has been some volatility on currency markets. Overall, the dollar has remained to the fore. The greenback was on the front-foot initially yesterday, but it moved off its peak as the day progressed. However, as sentiment weakened overnight, the currency retook the ascendancy. Meantime, sterling has registered some gains against the euro, following a firming in UK interest rate futures. EUR/USD is down below \$1.17. EUR/GBP is back in the lower half of 87-88p. GBP/USD is near the midpoint of \$1.33-1.34.

Today, the focus is likely to remain fixed on the conflict in the Middle East. Most equity futures are in the red before the European open. Elsewhere, the UK Spring Statement will garner attention. Data-wise, the flash estimate of Eurozone HICP inflation for February is due.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/ USD	1.1667	-0.83	-0.66
EUR/ GBP	0.8732	-0.42	0.20
GBP/ USD	1.3359	-0.40	-0.85
GBP/ EUR	1.1448	0.42	-0.19
USD/ JPY	157.3	0.30	0.41
EUR/ JPY	183.55	-0.54	-0.24

\* v Previous Day's European Open

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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	3.48	3.58	3.62
EUR	2.00	1.94	2.01	2.18	2.25	2.44
GBP	3.75	3.66	3.59	3.49	3.74	3.87

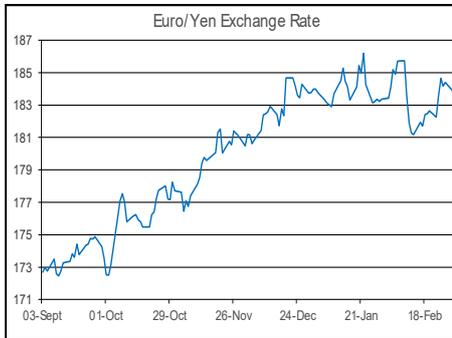
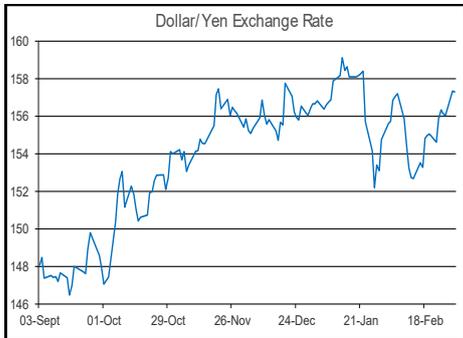
All rates quoted are indicative market rates

See Next Page For More Rates & Charts

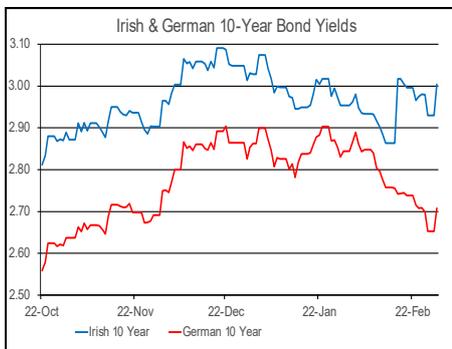
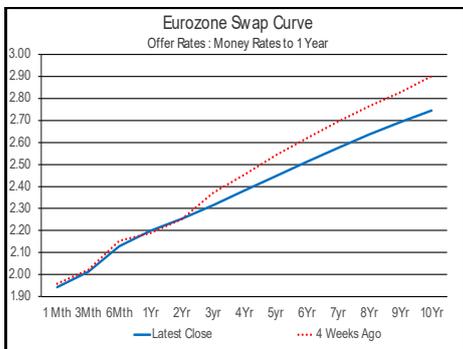
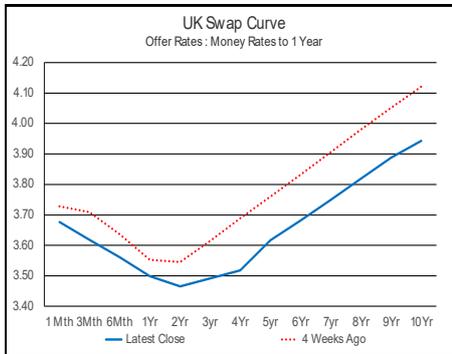
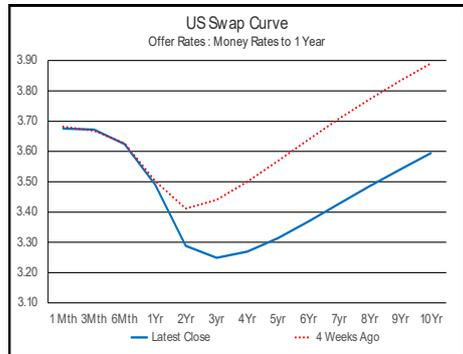
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Euro		Sterling		Dollar	
EUR/GBP	0.8732	GBP/EUR	1.1448	USD/JPY	157.3
EUR/USD	1.1667	GBP/USD	1.3359	USD/CAD	1.3674
EUR/JPY	183.55	GBP/CAD	1.8266	USD/CHF	0.7812
EUR/SEK	10.7217	GBP/NZD	2.2537	USD/CNY	6.8956
EUR/DKK	7.4702	GBP/JPY	210.14	USD/BRL	5.1712
EUR/NOK	11.1878	GBP/SEK	12.2758	USD/RUB	77.4
EUR/CHF	0.9114	GBP/DKK	8.5541	USD/INR	91.924
EUR/AUD	1.6465	GBP/NOK	12.8094	AUD/USD	0.7084
EUR/HKD	9.1138	GBP/CHF	1.0436	NZD/USD	0.5925
EUR/CAD	1.5955	GBP/AUD	1.8853		



Debt Markets				
	Close	Day	4 Weeks	End 25
<b>10 Year Yield %</b>				
US	4.05	+9	-23	-10
Germany	2.71	+6	-16	-15
UK	4.37	+14	-14	-10
<b>5 Year Swap %</b>				
US	3.59	+9	-23	-14
Eurozone	2.42	+9	-10	-14
UK	3.86	+10	-13	-3
<b>2 Year Swap %</b>				
US	3.56	+8	-10	-1
Eurozone	2.22	+8	-2	-3
UK	3.73	+14	-5	-0
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	30	+2	+20	+13
Belgium	40	+1	-0	-8
France	59	+2	+1	-11
Italy	66	+3	+4	+1
Spain	43	+2	+7	+0
Portugal	37	+1	+1	+7
Greece	63	-2	+11	+1



Commodities				
	Close	Day	4 Weeks	End 25
Brent Oil	79.99	+10.36	+20.65	+31.45
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	5326.8	+0.94	+14.18	+23.47

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