

Dollar remains to the fore

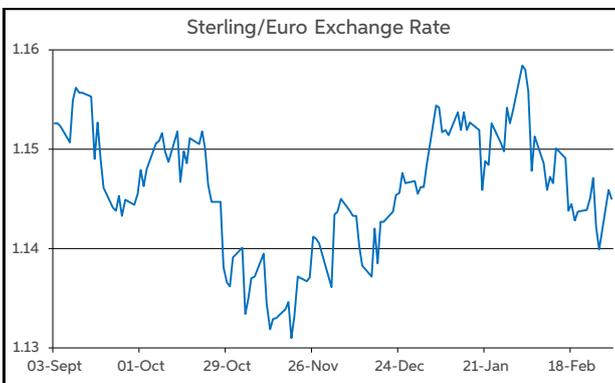
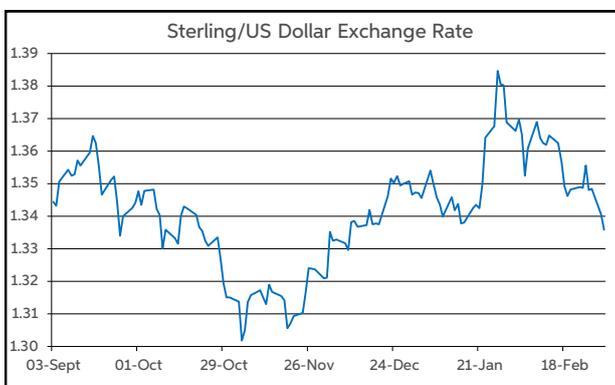
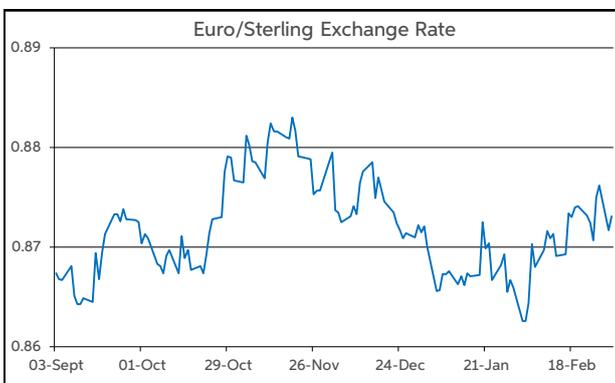
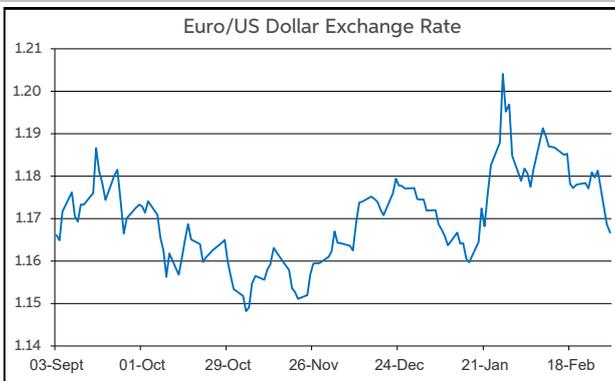
Trading conditions have been choppy over the past 24 hours, as investors reacted to news flow regarding the conflict in the Middle East. For the most part, there was a risk-off mood on markets throughout the European session, as fears of a widening and protracted conflict saw oil and natural gas prices 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

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

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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Euro

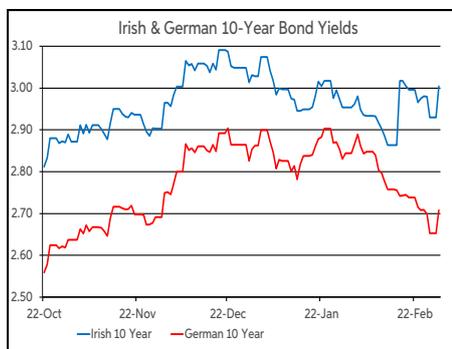
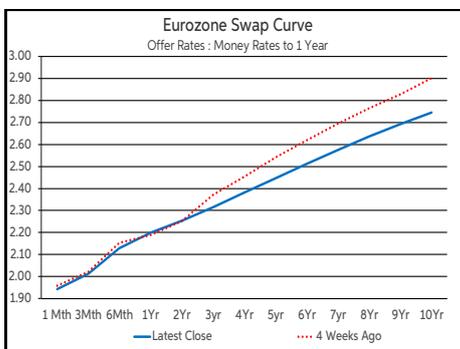
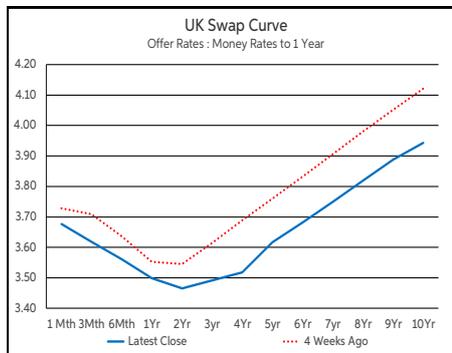
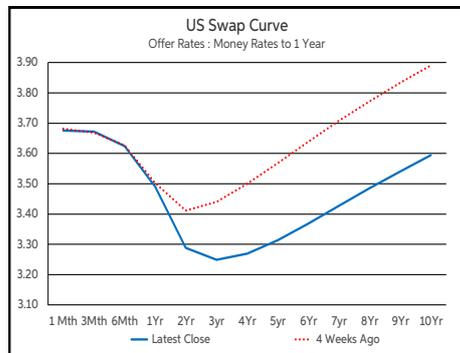
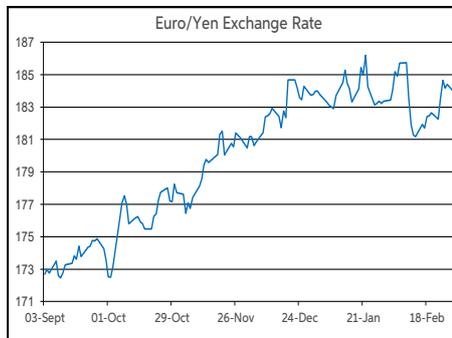
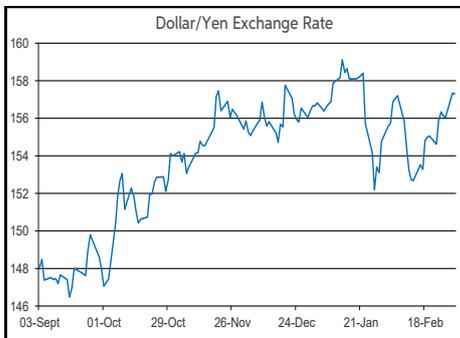
EUR/GBP	0.8732
EUR/USD	1.1667
EUR/JPY	183.55
EUR/SEK	10.7217
EUR/DKK	7.4702
EUR/NOK	11.1878
EUR/CHF	0.9114
EUR/AUD	1.6465
EUR/HKD	9.1138
EUR/CAD	1.5955

Sterling

GBP/EUR	1.1448
GBP/USD	1.3359
GBP/CAD	1.8266
GBP/NZD	2.2537
GBP/JPY	210.14
GBP/SEK	12.2758
GBP/DKK	8.5541
GBP/NOK	12.8094
GBP/CHF	1.0436
GBP/AUD	1.8853

Dollar

USD/JPY	157.3
USD/CAD	1.3674
USD/CHF	0.7812
USD/CNY	6.8956
USD/BRL	5.1712
USD/RUB	77.4
USD/INR	91.924
AUD/USD	0.7084
NZD/USD	0.5925



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.05	+9	-23	-10
Germany	2.71	+6	-16	-15
UK	4.37	+14	-14	-10
5 Year Swap %				
US	3.59	+9	-23	-14
Eurozone	2.42	+9	-10	-14
UK	3.86	+10	-13	-3
2 Year Swap %				
US	3.56	+8	-10	-1
Eurozone	2.22	+8	-2	-3
UK	3.73	+14	-5	-0
10 Year Government Bond Spreads to Benchmark bps				
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	% Change		
		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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