

A slew of central bank meetings due this week

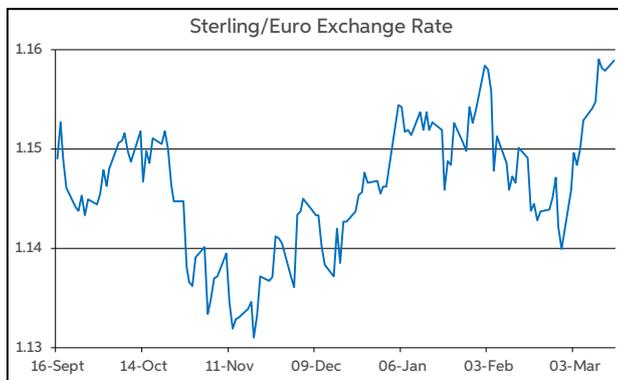
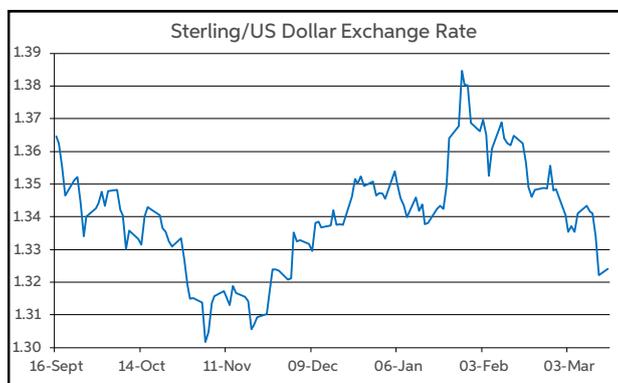
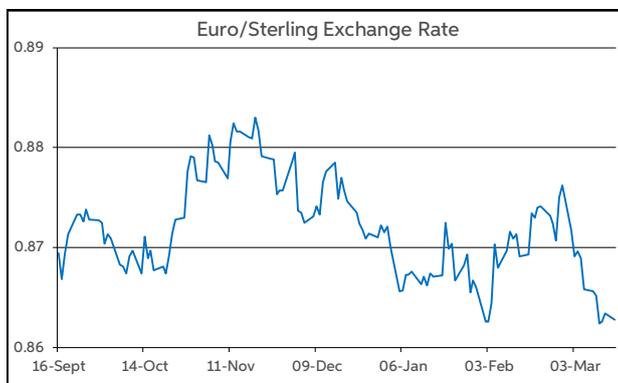
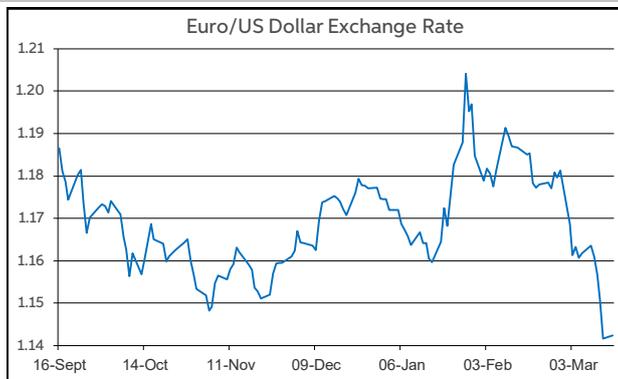
The war in the Middle East remained the main driver of financial markets last week. A surge in oil prices at the very start of the week, with Brent crude reaching a peak of \$119.5 per barrel contributed to very volatile trading conditions on Monday. However, remarks from US President Trump, indicating that the war would be over soon, assuaged markets initially. As the week progressed though, markets cautious optimism that the war may be winding down gave way to renewed pessimism that the conflict could be drawn out. As a result, Oil prices are currently above the key \$100 per barrel mark.

Against that backdrop, concerns regarding a potential inflation shock increased, leading to a further firming in interest rate futures. Overall, market pricing indicates that rate cuts in the US may be pushed out until 2027. For the UK, the market is no longer pricing in any cuts, and instead sees the possibility of a rate hike from the BoE by-mid 2027. In the Eurozone, a rate hike is now fully priced-in for July.

Amid the hardening in market rate expectations, sovereign bond yields rose by 8-12bps in the US and Eurozone, while UK Gilt yields climbed 12-20bps higher. Meanwhile, in a similar pattern to the week prior, the dollar was in the ascendancy due to the risk averse backdrop. Elsewhere, sterling continued to grind marginally higher versus the euro, supported by the more significant move in UK rates. In level terms, EUR/USD opens this morning in the bottom half of the \$1.14-1.15 range. GBP/USD is just below the midpoint of \$1.32-1.33. Meantime, EUR/GBP is changing hands in the lower half of the 86-87p corridor.

Turning to the week ahead, the focus will remain centred on the Middle East. Aside from that, a slew of central bank meetings, including the latest gatherings of the Fed, BoE and ECB will garner attention. Investors will be looking for any remarks regarding how the conflict impacts the policy outlook for the different regions.

Daniel Nonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1424	-0.66	-2.73
EUR/GBP	0.8628	0.05	-1.00
GBP/USD	1.3241	-0.68	-1.72
GBP/EUR	1.1588	-0.05	1.01
USD/JPY	159.29	-0.09	1.69
EUR/JPY	181.98	-0.75	-1.09

* 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	3.68	3.62	3.80	3.80
EUR	2.00	1.95	2.16	2.48	2.63	2.76
GBP	3.75	3.72	3.72	3.90	4.22	4.34

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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Opening Levels

Monday 16 March 2026
07:57 am



Euro

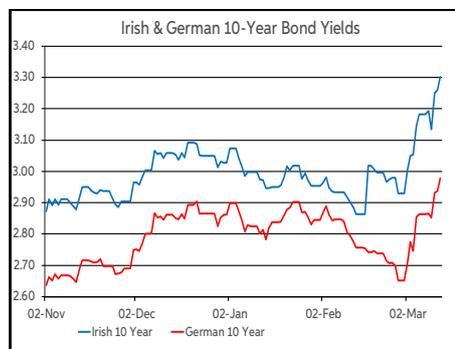
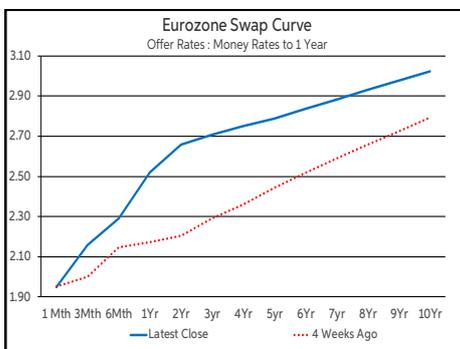
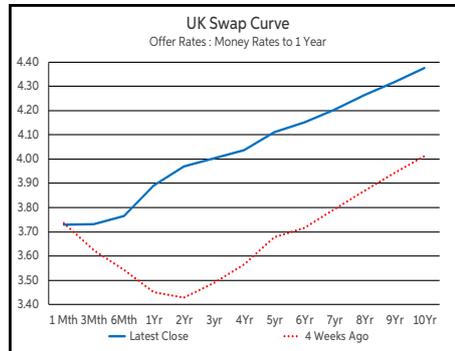
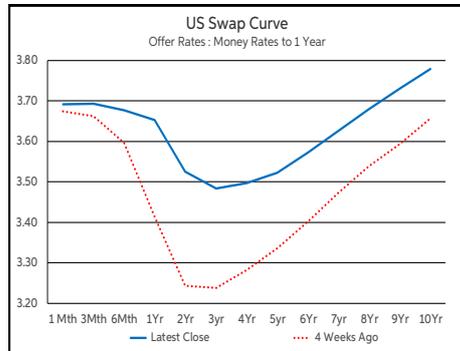
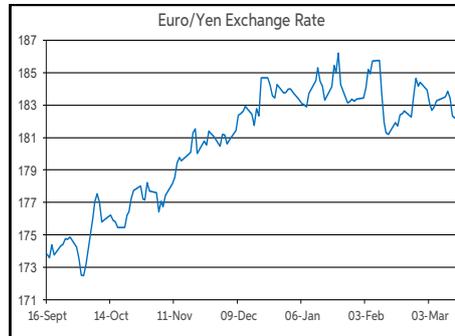
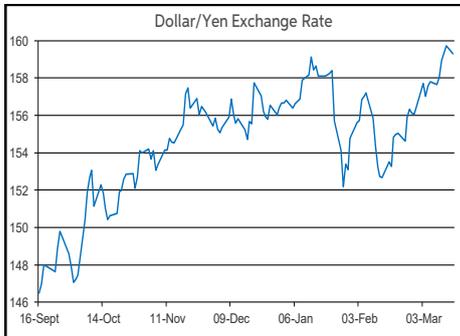
EUR/GBP	0.8628
EUR/USD	1.1424
EUR/JPY	181.98
EUR/SEK	10.7975
EUR/DKK	7.4718
EUR/NOK	11.1352
EUR/CHF	0.9041
EUR/AUD	1.6287
EUR/HKD	8.9444
EUR/CAD	1.5654

Sterling

GBP/EUR	1.1588
GBP/USD	1.3241
GBP/CAD	1.8142
GBP/NZD	2.2801
GBP/JPY	210.85
GBP/SEK	12.5142
GBP/DKK	8.657
GBP/NOK	12.9056
GBP/CHF	1.0477
GBP/AUD	1.8877

Dollar

USD/JPY	159.29
USD/CAD	1.3703
USD/CHF	0.7915
USD/CNY	6.9025
USD/BRL	5.3292
USD/RUB	80.9
USD/INR	92.362
AUD/USD	0.7011
NZD/USD	0.5803



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.29	+1	+23	+13
Germany	2.98	+4	+22	+11
UK	4.83	+5	+41	+35
Ireland	3.30	+4	+44	+27
Belgium	3.47	+5	+31	+12
France	3.67	+6	+32	+11
Italy	3.80	+6	+43	+29
Spain	3.50	+5	+36	+20
Portugal	3.44	+3	+31	+28
Greece	3.76	+4	+39	+28
5 Year Swap %				
US	3.81	+1	+23	+9
Eurozone	2.77	+4	+35	+21
UK	4.35	+4	+47	+45
2 Year Swap %				
US	3.79	-2	+30	+22
Eurozone	2.64	+4	+47	+38
UK	4.26	+4	+60	+53
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	+0	+22	+16
Belgium	49	+1	+9	+1
France	69	+2	+11	-1
Italy	82	+2	+21	+18
Spain	52	+1	+14	+9
Portugal	46	-1	+9	+16
Greece	78	+0	+17	+16

Commodities				
	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	103.14	+2.67	+52.24	+69.50
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	5018.4	-1.19	-0.47	+16.33

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