

## Focus on Middle East war/central bank remarks

The ongoing war in the Middle East and a slew of central bank meetings led to volatile trading conditions throughout last week. Amid a number of attacks on gas and oil infrastructure across the Gulf, commodity prices surged. Brent crude is up by over 8% since last Monday, at circa \$113 per barrel, while European natural gas prices finished last week up over 15%, to close to €60 per MWh.

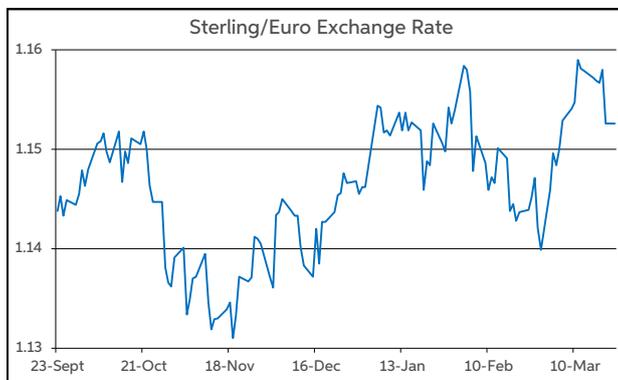
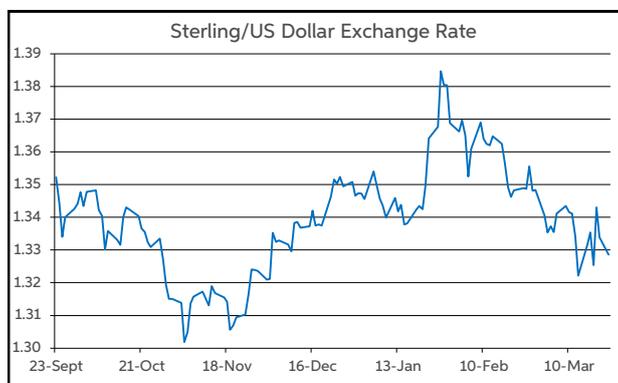
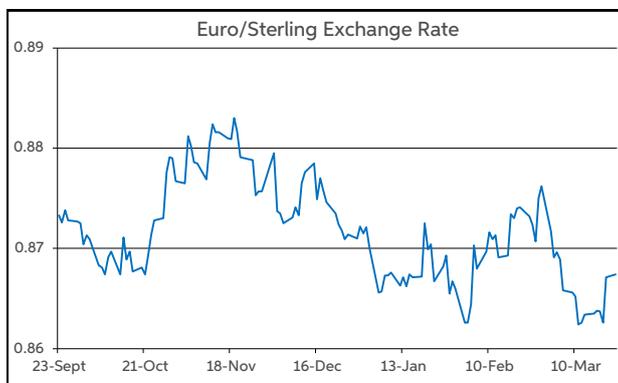
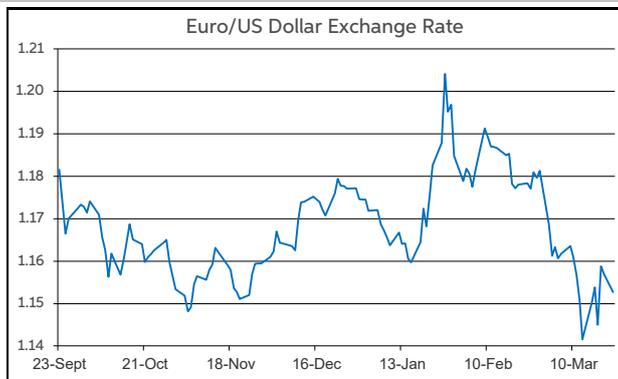
On the monetary policy front, the Fed, BoJ, BoE and ECB left rates unchanged, as expected. All of the central banks stated that they are closely assessing how the recent surge in energy prices may impact their respective economies. The ECB, and particularly the hawkish BoE, indicated that they will be highly attentive to potential second round inflation effects from higher energy costs.

Against this backdrop, market rate expectations hardened. The market is no longer pricing in a rate cut from the Fed this year. Meantime, interest rate futures pricing indicates that the ECB and BoE are now expected to hike rates three times this year. Elsewhere, the Euro Stoxx 50 shed 3.8%, while the S&P 500 fell by 1.9%. In terms of fixed income, yields moved higher, driven by a sharp rise at the short-end of the curves. US Treasury and German Bund yields increased by 5-30bps last week. UK Gilt yields surged by 5-45bps.

Currency-wise, the dollar was initially on the front-foot amid the risk averse mood. However, as the week progressed, the euro and sterling took the ascendancy, supported by the more significant firming in UK and Eurozone futures. This sees EUR/USD open this morning in the lower half of \$1.15-1.16. GBP/USD is operating near to \$1.33 mark. Elsewhere, EUR/GBP is in the upper half of 86-87p band.

This week, the focus will remain on the conflict in the Middle East. Remarks from a slew of central bank officials will also warrant close attention. Data-wise, the flash PMIs for March are the highlight.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1527	-0.22	-1.86
EUR/GBP	0.8673	0.63	-0.48
GBP/USD	1.3286	-0.85	-1.39
GBP/EUR	1.1523	-0.62	0.48
USD/JPY	159.49	0.68	1.81
EUR/JPY	183.89	0.47	-0.05

\* 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	3.72	3.86	4.07	4.01
EUR	2.00	1.92	2.11	2.78	2.94	2.92
GBP	3.75	3.73	3.86	4.40	4.68	4.57

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 23 March 2026  
06:54 am



## Euro

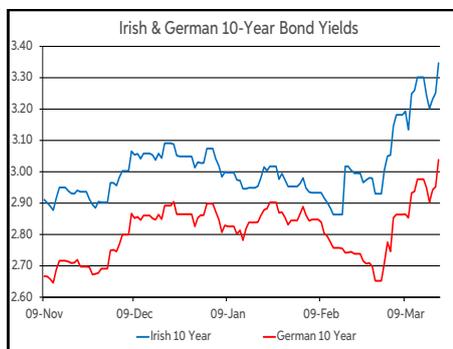
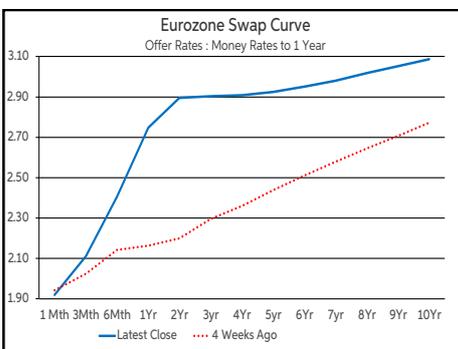
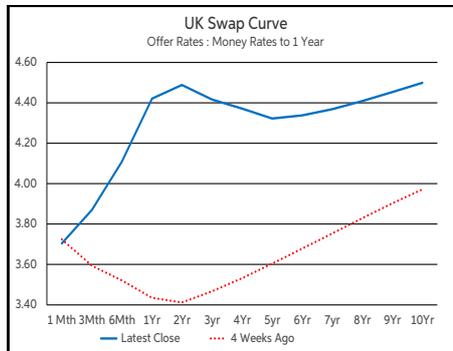
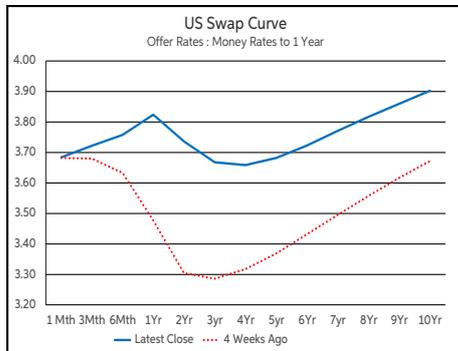
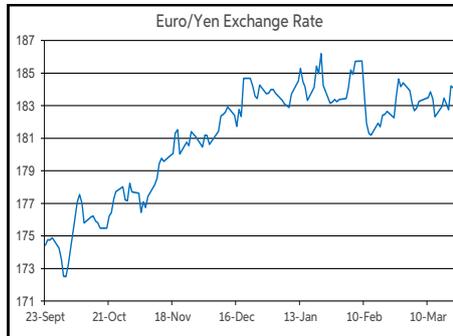
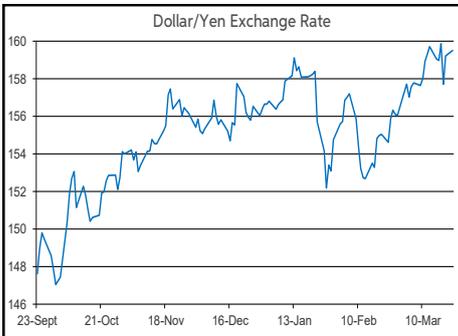
EUR/GBP	0.8673
EUR/USD	1.1527
EUR/JPY	183.89
EUR/SEK	10.8398
EUR/DKK	7.471
EUR/NOK	11.0936
EUR/CHF	0.9106
EUR/AUD	1.6563
EUR/HKD	9.0213
EUR/CAD	1.5829

## Sterling

GBP/EUR	1.1523
GBP/USD	1.3286
GBP/CAD	1.8241
GBP/NZD	2.2917
GBP/JPY	211.9
GBP/SEK	12.4918
GBP/DKK	8.6085
GBP/NOK	12.7731
GBP/CHF	1.0495
GBP/AUD	1.9091

## Dollar

USD/JPY	159.49
USD/CAD	1.373
USD/CHF	0.7899
USD/CNY	6.9077
USD/BRL	5.3126
USD/RUB	83.1205
USD/INR	93.946
AUD/USD	0.6957
NZD/USD	0.5794



## Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 25
<b>10 Year Yield %</b>				
US	4.39	+11	+31	+24
Germany	3.04	+9	+30	+18
UK	5.00	+15	+64	+52
<b>5 Year Swap %</b>				
US	3.94	+10	+32	+21
Eurozone	2.91	+7	+49	+35
UK	4.57	+8	+73	+67
<b>2 Year Swap %</b>				
US	3.99	+12	+44	+42
Eurozone	2.89	+13	+70	+63
UK	4.68	+7	+103	+95
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	31	+1	+5	+14
Belgium	52	+3	+13	+4
France	72	+2	+15	+2
Italy	93	+9	+32	+28
Spain	54	+2	+13	+11
Portugal	47	+2	+13	+18
Greece	84	-1	+23	+22

## Commodities

	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	112.82	+3.84	+57.22	+85.41
West Texas Oil	98.71	+2.71	+48.01	+72.39
Gold \$	4487.7	-3.45	-12.07	+4.02

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