

## Sentiment back in risk averse mode

Market participants continued to have plenty of newsflow to digest in relation to the war in the Middle East yesterday. Investors were trying to decipher the on-going conflicting reports about whether negotiations are taking place between the US and Iran. At the same time, the build up of US military troops in the region added to the risk of a further escalation.

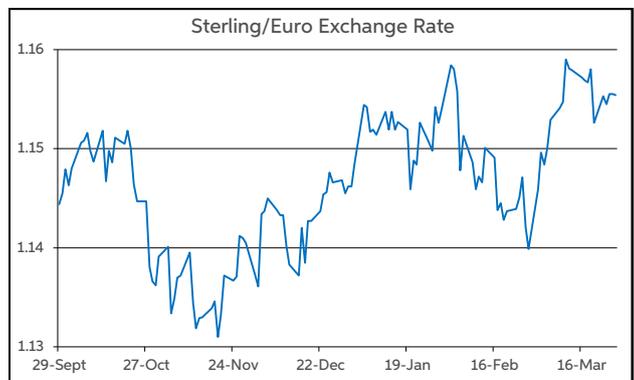
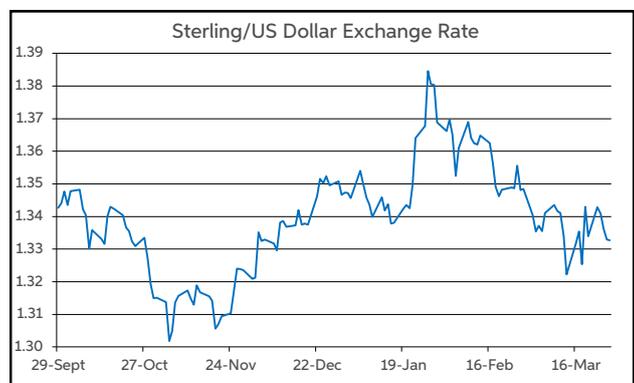
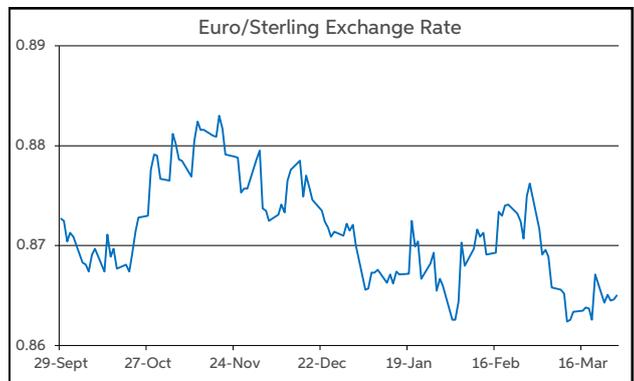
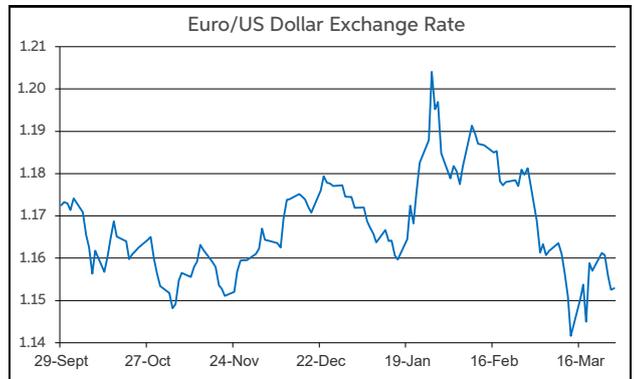
This risk and elevated uncertainty saw oil prices come under further upward pressure, with Brent Crude spot prices rising above \$115 per barrel during yesterday's trading. On bond markets, the main sovereign benchmark yields rose by 10-15bp, reflecting the inflationary concerns arising from a prolonged conflict.

Investor sentiment defaulted back into a risk averse posture amid the backdrop of higher energy prices, higher yields and volatile geopolitical environment. This was reflected in the performance of the main equity indices on both sides of the Atlantic. In Europe, the Euro Stoxx 50 fell by 1.5%. Meantime, at the closing bell last night on Wall Street, the S&P 500 had posted a 1.7% loss on the day.

On the currency front, the dollar managed to eke out some modest gains amid the risk averse backdrop yesterday. Overall though, the action amongst the FX majors was confined to relatively narrow ranges. This trend has continued in overnight trading on Asia-Pacific markets. In level terms, the EUR/USD pair has edged lower within the bottom half of the \$1.15-1.16 range. GBP/USD starts this morning's European session below the halfway mark of \$1.33-1.34. Meanwhile, EUR/GBP continues to trade within the 86-87p band.

Ahead today, investors will remain firmly focused on the Middle East conflict. Therefore, trading conditions may remain volatile as market participants react to the ebb and flow of news/developments in relation to the war.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1529	-0.23	-1.84
EUR/GBP	0.8648	-0.05	-0.77
GBP/USD	1.3327	-0.20	-1.08
GBP/EUR	1.1557	0.05	0.77
USD/JPY	159.78	0.19	2.00
EUR/JPY	184.26	-0.04	0.15

\* 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	3.70	3.85	4.08	4.04
EUR	2.00	1.95	2.14	2.80	2.95	2.98
GBP	3.75	3.73	3.86	4.34	4.65	4.55

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

Friday 27 March 2026  
07:16 am



## Euro

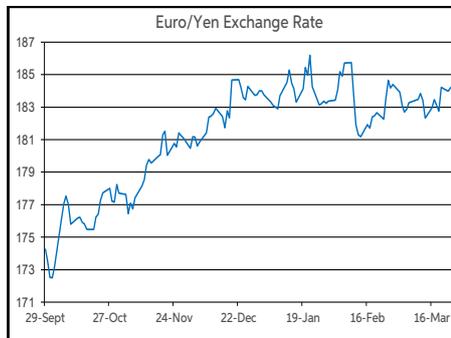
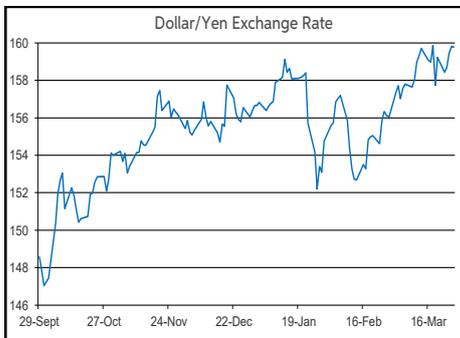
EUR/GBP	0.865
EUR/USD	1.1529
EUR/JPY	184.26
EUR/SEK	10.8755
EUR/DKK	7.4723
EUR/NOK	11.1473
EUR/CHF	0.9179
EUR/AUD	1.672
EUR/HKD	9.0311
EUR/CAD	1.5966

## Sterling

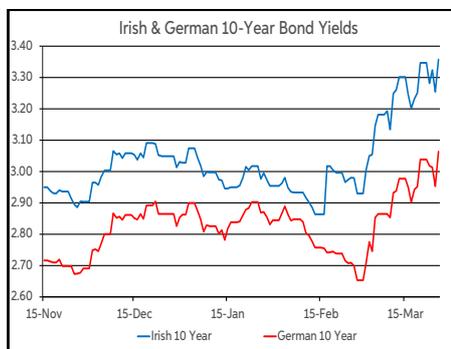
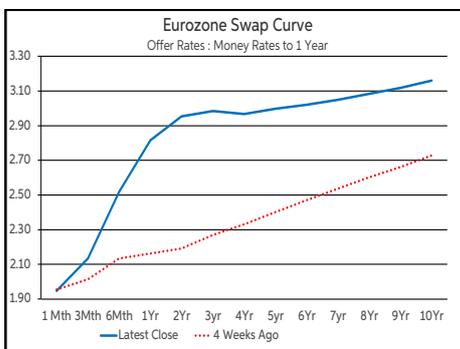
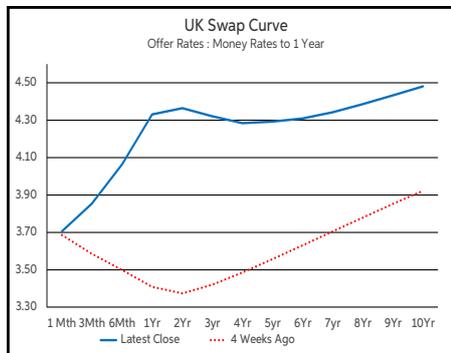
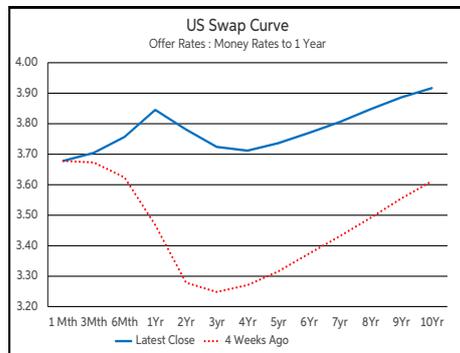
GBP/EUR	1.1557
GBP/USD	1.3327
GBP/CAD	1.8456
GBP/NZD	2.3086
GBP/JPY	212.94
GBP/SEK	12.5691
GBP/DKK	8.6347
GBP/NOK	12.893
GBP/CHF	1.061
GBP/AUD	1.9327

## Dollar

USD/JPY	159.78
USD/CAD	1.3849
USD/CHF	0.7961
USD/CNY	6.909
USD/BRL	5.2371
USD/RUB	81.2
USD/INR	94.68
AUD/USD	0.6893
NZD/USD	0.577



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
<b>10 Year Yield %</b>				
US	4.42	+9	+40	+26
Germany	3.06	+11	+36	+20
UK	4.97	+14	+69	+50
<b>5 Year Swap %</b>				
US	4.01	+9	+46	+28
Eurozone	2.98	+12	+60	+42
UK	4.54	+14	+75	+65
<b>2 Year Swap %</b>				
US	4.05	+8	+52	+48
Eurozone	2.95	+11	+76	+69
UK	4.64	+14	+102	+91
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	29	-1	+1	+13
Belgium	54	+5	+17	+6
France	73	+4	+18	+3
Italy	96	+8	+35	+31
Spain	54	+3	+14	+11
Portugal	48	+1	+13	+18
Greece	82	-10	+21	+20



Commodities				
	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	108.01	+5.66	+52.66	+77.50
West Texas Oil	96.18	+5.10	+47.74	+67.97
Gold \$	4379.0	-2.80	-15.57	+1.50

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