

## Market sentiment remains sensitive to Middle East conflict

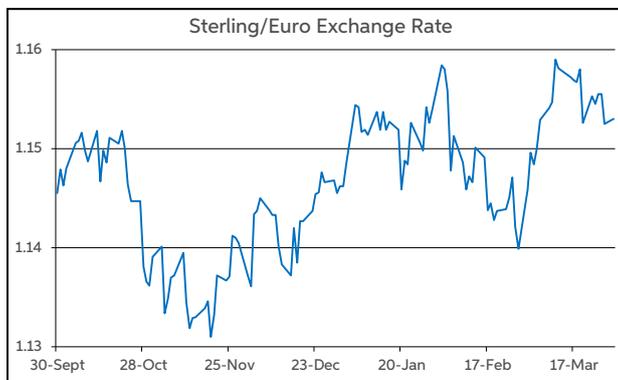
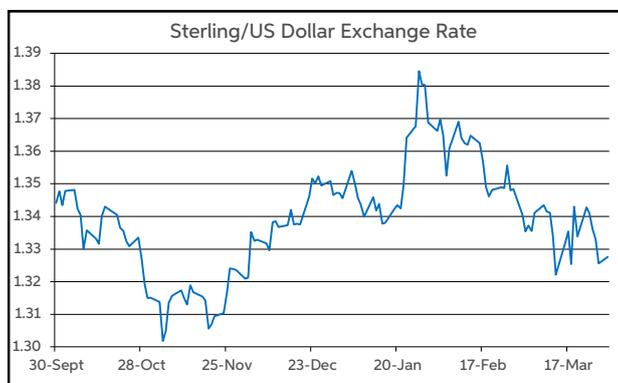
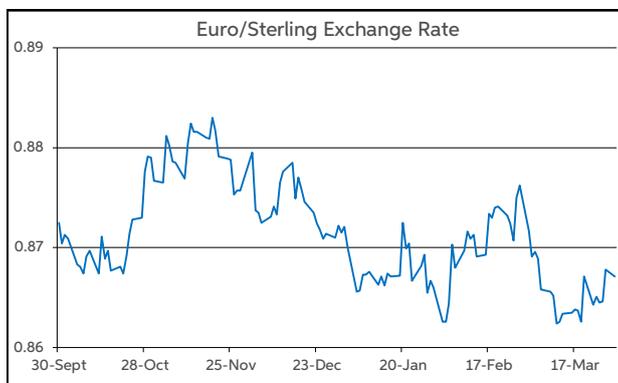
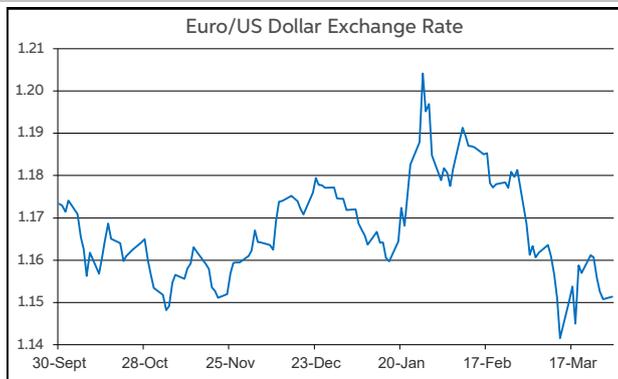
Investor sentiment continued to be affected last week by developments in relation to the conflict in the Middle East. In the early part of the week, some cautious optimism was evident in market moves (including gains on equity markets) on the back of comments from President Trump on the potential for de-escalation.

However, conflicting news on the extent of any negotiations as well as reports of a build-up of US troops in the region put further upward pressure on energy prices. This in turn pushed yields higher, reflecting concerns for the inflation outlook. Subsequent to this, President Trump did extend the deadline by ten days for Iran to reopen the Strait of Hormuz. Overall though, the backdrop of the elevated risk of a further escalation in the war, higher energy prices/yields created a challenging environment for investor sentiment over the course of the week. By the closing bell on Wall Street on Friday night, the S&P 500 index was 2.1% lower on the week.

On the currency front, compared to more volatile trading conditions elsewhere, the action amongst the FX majors was confined to relatively narrow ranges last week. The EUR/USD pair did test below the \$1.15 threshold but generally traded within the \$1.15-1.16 band for much of the period. Meanwhile, EUR/GBP operated in a very tight 86.3-86.8p corridor.

For the week ahead, the market's attention and primary source of direction will remain the conflict in the Middle East. However, there is also some important data due over the coming days. In the US, the main highlight (Fri) will be the non-farms payrolls number for March. This metric has been quite 'noisy' over the last number of months, but the underlying trend is one of much softer jobs growth over the past year. In the Eurozone, the flash reading of HICP inflation for March is a key release (Wed). It will be assessed for the impact that higher energy prices are starting to have on Eurozone inflation.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1514	-0.23	-1.97
EUR/GBP	0.8671	0.25	-0.50
GBP/USD	1.3276	-0.46	-1.46
GBP/EUR	1.1529	-0.25	0.51
USD/JPY	159.66	0.02	1.92
EUR/JPY	183.85	-0.21	-0.08

\* 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	3.68	3.75	3.96	3.95
EUR	2.00	1.89	2.13	2.76	2.90	2.97
GBP	3.75	3.72	3.84	4.28	4.58	4.52

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 30 March 2026  
07:22 am



## Euro

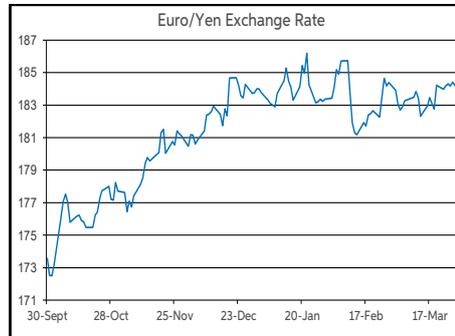
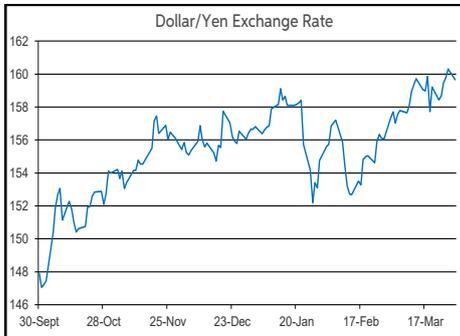
EUR/GBP	0.8671
EUR/USD	1.1514
EUR/JPY	183.85
EUR/SEK	10.8931
EUR/DKK	7.4724
EUR/NOK	11.2124
EUR/CHF	0.9188
EUR/AUD	1.6755
EUR/HKD	9.0188
EUR/CAD	1.5997

## Sterling

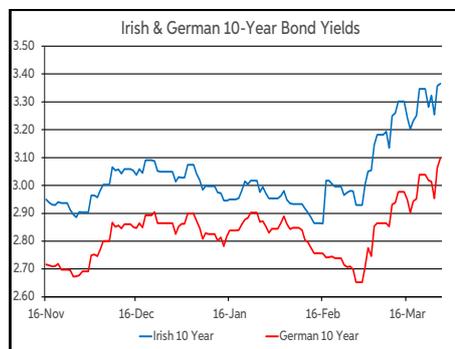
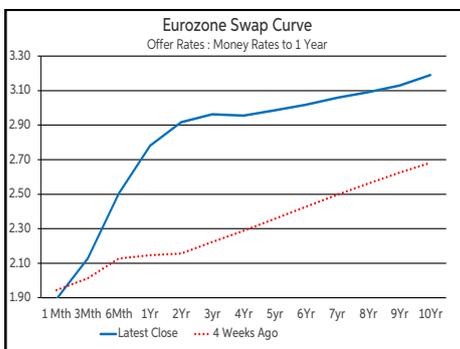
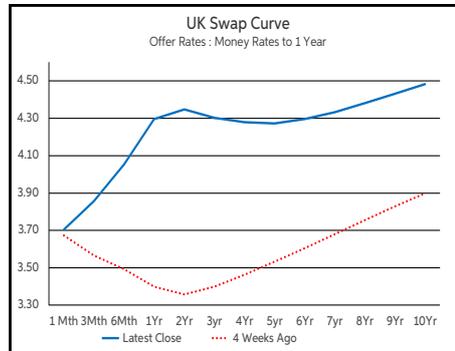
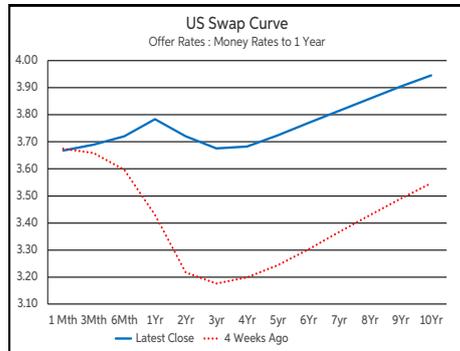
GBP/EUR	1.1529
GBP/USD	1.3276
GBP/CAD	1.8444
GBP/NZD	2.3115
GBP/JPY	211.96
GBP/SEK	12.5584
GBP/DKK	8.6122
GBP/NOK	12.9282
GBP/CHF	1.0592
GBP/AUD	1.9317

## Dollar

USD/JPY	159.66
USD/CAD	1.3895
USD/CHF	0.798
USD/CNY	6.9068
USD/BRL	5.2394
USD/RUB	81.75
USD/INR	94.571
AUD/USD	0.687
NZD/USD	0.5739



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
<b>10 Year Yield %</b>				
US	4.44	+2	+48	+29
Germany	3.10	+4	+45	+24
UK	4.97	+0	+74	+50
<b>5 Year Swap %</b>				
US	3.99	-4	+50	+27
Eurozone	2.97	-1	+64	+41
UK	4.51	-3	+75	+62
<b>2 Year Swap %</b>				
US	3.97	-7	+50	+40
Eurozone	2.91	-4	+76	+65
UK	4.57	-7	+98	+84
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	27	-3	-1	+10
Belgium	54	-0	+16	+6
France	74	+1	+17	+4
Italy	96	+1	+34	+32
Spain	54	-0	+13	+11
Portugal	50	+2	+14	+20
Greece	94	+12	+29	+32



Commodities				
	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	112.57	+4.22	+55.31	+85.00
West Texas Oil	101.26	+5.28	+51.22	+76.84
Gold \$	4492.5	+2.59	-14.87	+4.13

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