

Dollar weakens as oil prices decline

Despite a slew of key central bank meetings and a raft of data releases, market sentiment continues to be driven by changes in oil prices yesterday. Brent crude oil fell from \$126 to \$114 per barrel. However, there was no obvious catalyst for the move, given there was no major developments regarding the war in the Middle East.

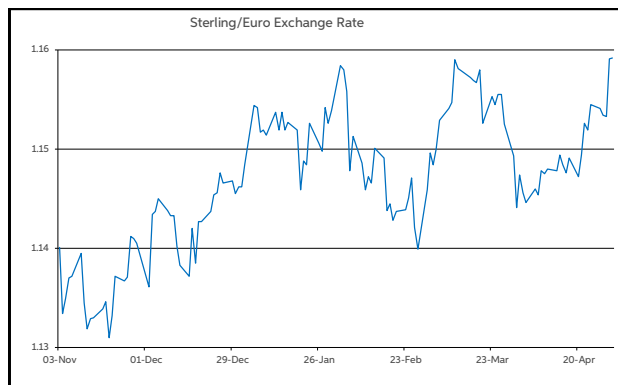
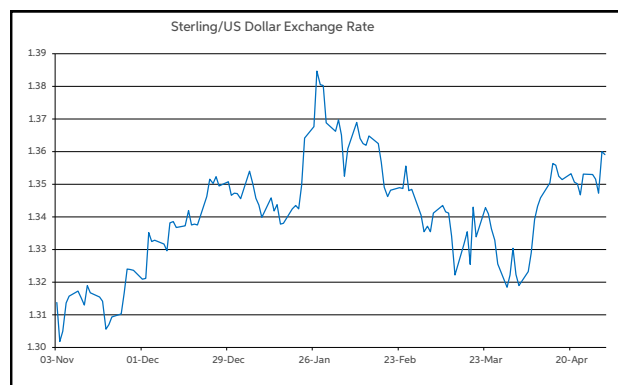
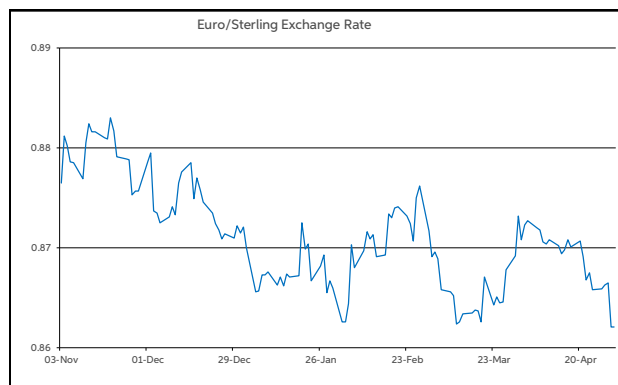
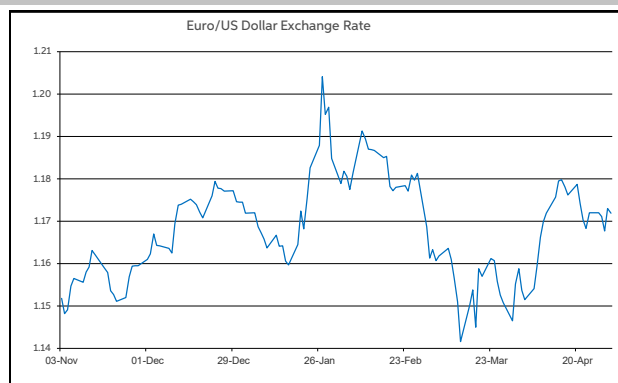
On the monetary policy front the ECB and the BoE left rates unchanged, as expected. However, both central banks struck a more hawkish tone than at previous meetings. In particular, they appear to be highly sensitive to any second-round inflation effects due to the recent surge in energy prices. In this regard, the flash reading of Eurozone HICP inflation showed that the headline rate rose to 3.0% in April but the core rate slowed slightly to 2.1%. In contrast, US core PCE inflation accelerated to 3.2% in March. Elsewhere on the data front, US GDP growth outstripped Eurozone growth in Q1. The former rose by 0.5%, while the later increased by just 0.1% in the quarter.

Against this backdrop, market interest rate expectations were little changed yesterday. Current pricing indicates that investors see around a 75% chance of an ECB rate hike and a 50% chance of a BoE rate hike in June. Meantime, the fall in oil prices coincided with a rebound in risk appetite. The Euro Stoxx 50 gained 1.1%, while the S&P 500 rose by 1.0% yesterday.

On the currency front, the drop in oil prices led to the dollar coming under some downward pressure. Meanwhile, the yen moved markedly higher, amid intervention by Japanese authorities to support the currency. In level terms, EUR/USD opens today above the \$1.17 threshold. USD/JPY is back near ¥157, having been north of ¥160. EUR/GBP is down in the lower half of the 86-87p corridor.

Looking ahead, the macro calendar is relatively light today. However, markets will remain sensitive to any developments in the Middle East.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates

% Change

		Day *	End 2025
EUR/USD	1.1719	0.51	-0.22
EUR/GBP	0.8621	-0.45	-1.08
GBP/USD	1.3591	0.98	0.88
GBP/EUR	1.1596	0.45	1.09
USD/JPY	157.12	-2.12	0.30
EUR/JPY	184.18	-1.62	0.10

* 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	3.64	3.65	3.72	3.99	3.99
EUR	2.00	1.97	2.15	2.77	2.86	2.90
GBP	3.75	3.72	3.82	4.27	4.55	4.54

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 01 May 2026
07:38 am



Euro

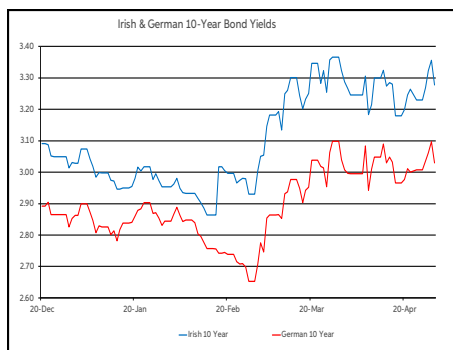
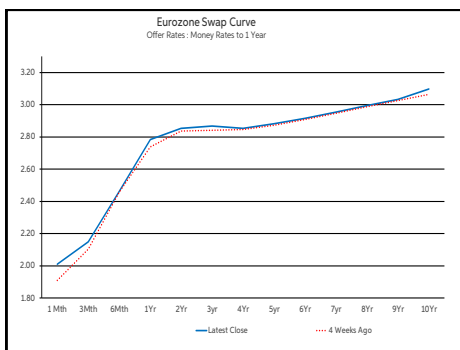
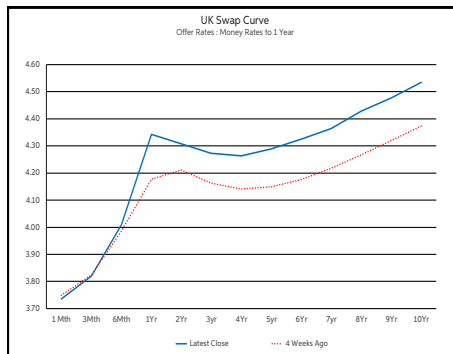
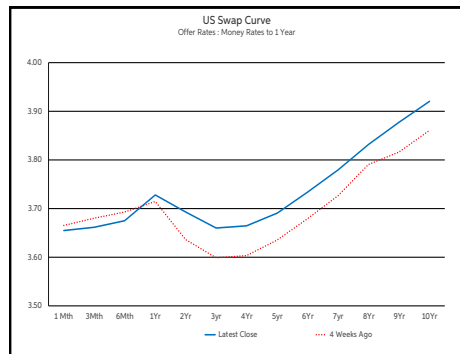
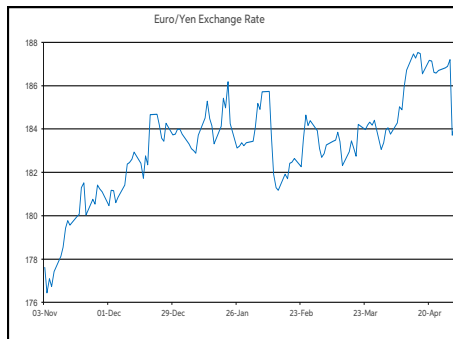
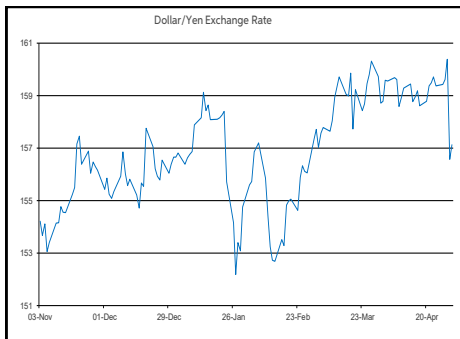
EUR/GBP	0.8621
EUR/USD	1.1719
EUR/JPY	184.18
EUR/SEK	10.8347
EUR/DKK	7.4726
EUR/NOK	10.8545
EUR/CHF	0.9174
EUR/AUD	1.63
EUR/HKD	9.1812
EUR/CAD	1.5917

Sterling

GBP/EUR	1.1596
GBP/USD	1.3591
GBP/CAD	1.8459
GBP/NZD	2.3076
GBP/JPY	213.54
GBP/SEK	12.5658
GBP/DKK	8.6621
GBP/NOK	12.594
GBP/CHF	1.0639
GBP/AUD	1.8904

Dollar

USD/JPY	157.12
USD/CAD	1.3584
USD/CHF	0.7825
USD/CNY	6.8273
USD/BRL	4.9558
USD/RUB	74.9455
USD/INR	94.9
AUD/USD	0.7187
NZD/USD	0.5886



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.39	-3	+8	+24
Germany	3.03	-7	+3	+17
UK	5.02	-4	+19	+55
Ireland	3.28	-8	+3	+25
Belgium	3.52	-7	+5	+17
France	3.70	-7	+2	+14
Italy	3.86	-10	+1	+35
Spain	3.50	-8	+2	+21
Portugal	3.44	-8	+1	+28
Greece	3.84	-4	-1	+36
5 Year Swap %				
US	3.96	-6	+6	+24
Eurozone	2.88	-8	+3	+32
UK	4.52	-8	+16	+63
2 Year Swap %				
US	3.95	-8	+7	+38
Eurozone	2.85	-7	+4	+59
UK	4.54	-11	+12	+81
10 Year Government Bond Spreads to Benchmark bps				
Ireland	25	-1	-0	+8
Belgium	49	+0	+2	+0
France	67	-0	-2	-3
Italy	83	-3	-2	+18
Spain	47	-1	-1	+4
Portugal	41	-2	-3	+11
Greece	81	+2	-4	+19

Commodities

	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	114.01	-3.41	+4.57	+87.36
West Texas Oil	108.64	-1.66	-4.05	+89.73
Gold \$	4621.6	+1.76	-1.16	+7.13

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