

Oil prices lower amid optimism for US/Iran deal

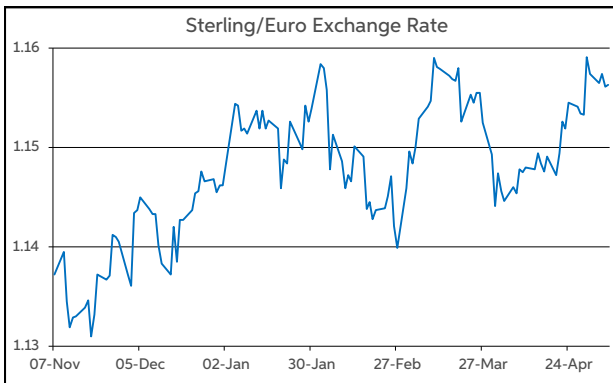
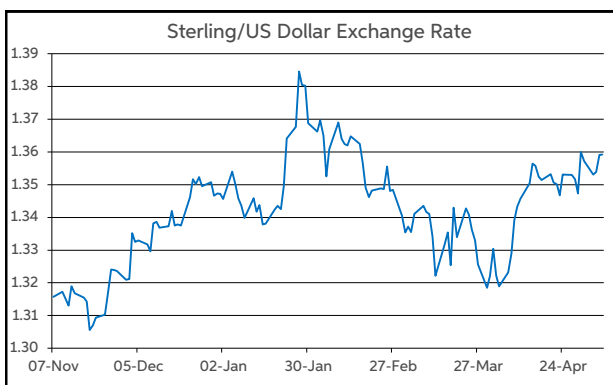
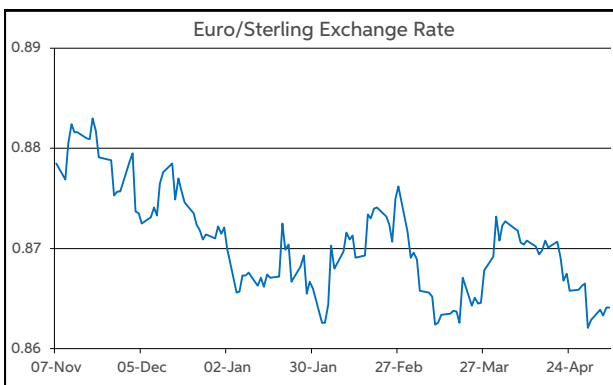
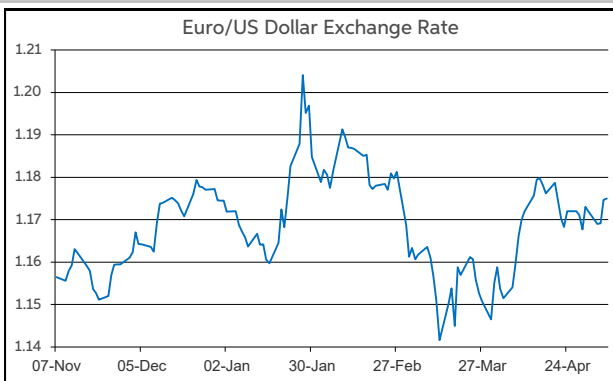
Once again, the Middle East conflict dominated the headlines and market discourse yesterday. Oil prices declined and equity markets rallied on optimism of a framework being agreed between the US and Iran to end the war. Brent crude fell by around 8%, from \$110 per barrel to \$101 p/bbl. Meanwhile, equity markets posted strong gains on both sides of the Atlantic. In Europe, the Euro Stoxx 50 rose by 2.7%. At the closing bell on Wall Street last night, the global benchmark S&P 500 index was 1.5% higher on the day.

Meantime, bond yields fell as the decline in oil prices and the prospect of a reopening of the Strait of Hormuz helped to ease some of the inflationary concerns that had been weighing on bond prices (move inversely to yields). At the same time, there was some softening in market rate expectations for the ECB and BoE. Although, futures contracts are still pricing in around 50-60bps of tightening from both central banks over the remainder of the year. However, if there is definite progress on a peace deal, then we may see some further softening in rate expectations.

On the currency front, the action amongst the majors was relatively restrained. The dollar continued to give up some of its recent gains amid the fall in oil prices and 'risk-on' mood. This was reflected in EUR/USD moving up to the midpoint of \$1.17-1.18 and GBP/USD edging up nearer to the \$1.36 threshold. Meantime, EUR/GBP has continued to change hands within the lower half of the 86-87p trading band. Elsewhere, there was speculation yesterday of further intervention to support the yen after some sharp moves in USD/JPY in early trading. The pair opens this morning in ¥156 territory.

Looking ahead to today, 'Middle East' related newsflow will remain a potential directional driver/source of volatility. The macro diary of scheduled data releases is quiet. There will be some 'politics' for sterling watchers to digest with UK local elections taking place.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.175	0.11	0.04
EUR/GBP	0.8641	0.06	-0.85
GBP/USD	1.3592	0.05	0.88
GBP/EUR	1.1566	-0.06	0.86
USD/JPY	156.38	0.30	-0.17
EUR/JPY	183.77	0.42	-0.12

* 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	3.63	3.72	3.99	4.00	
EUR	2.00	1.96	2.71	2.78	2.83	
GBP	3.75	3.73	4.19	4.49	4.48	

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

Thursday 07 May 2026
07:17 am



Euro

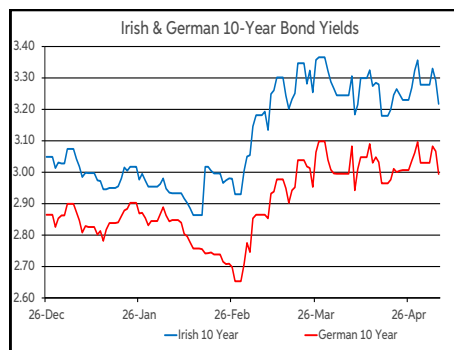
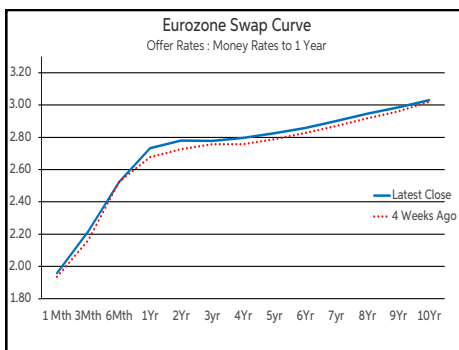
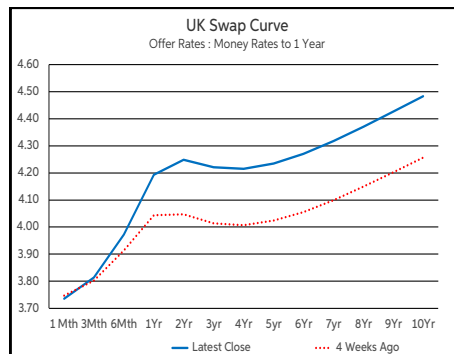
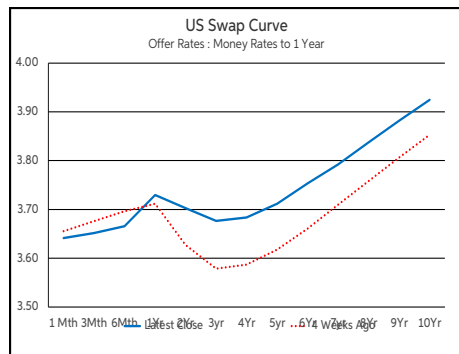
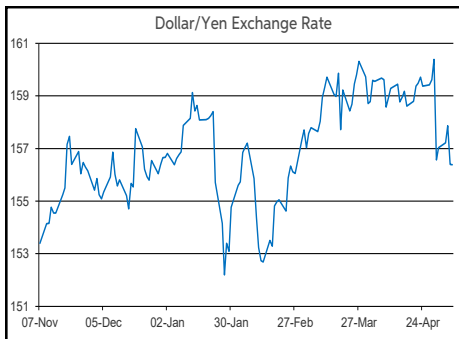
EUR/GBP	0.8641
EUR/USD	1.175
EUR/JPY	183.77
EUR/SEK	10.8574
EUR/DKK	7.4727
EUR/NOK	10.9274
EUR/CHF	0.9153
EUR/AUD	1.6215
EUR/HKD	9.2033
EUR/CAD	1.6023

Sterling

GBP/EUR	1.1566
GBP/USD	1.3592
GBP/CAD	1.8535
GBP/NZD	2.281
GBP/JPY	212.55
GBP/SEK	12.5602
GBP/DKK	8.6431
GBP/NOK	12.6425
GBP/CHF	1.0588
GBP/AUD	1.876

Dollar

USD/JPY	156.38
USD/CAD	1.3637
USD/CHF	0.779
USD/CNY	6.8055
USD/BRL	4.9236
USD/RUB	74.7455
USD/INR	94.805
AUD/USD	0.7244
NZD/USD	0.5957



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.35	-6	+6	+20
Germany	2.99	-7	+5	+13
UK	4.94	-12	+23	+47
5 Year Swap %				
US	3.98	-7	+9	+25
Eurozone	2.82	-8	+6	+26
UK	4.47	-12	+21	+57
2 Year Swap %				
US	3.96	-8	+10	+39
Eurozone	2.77	-10	+5	+52
UK	4.48	-13	+0	+75
10 Year Government Bond Spreads to Benchmark bps				
Ireland	22	-0	-2	+6
Belgium	46	-1	+2	-3
France	63	-2	-0	-7
Italy	76	-4	+0	+11
Spain	43	-2	-1	+0
Portugal	38	-3	-2	+8
Greece	68	-9	-29	+6

Commodities				
	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	101.27	-7.83	+6.88	+66.43
West Texas Oil	98.75	-6.54	+2.68	+72.46
Gold \$	4689.1	+2.92	-0.57	+8.69

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