

## Keir today, gone tomorrow?

Investor sentiment continued to hold a cautious tone yesterday, amid concerns regarding the fragile ceasefire in the Middle East, as peace talks between the US and Iran continue to stall. Oil prices continued to rise yesterday, with Brent crude increasing by over 2% to \$107/bbl. Furthermore, political news flow in the UK and hotter than expected US CPI inflation data provided an unhelpful backdrop for markets.

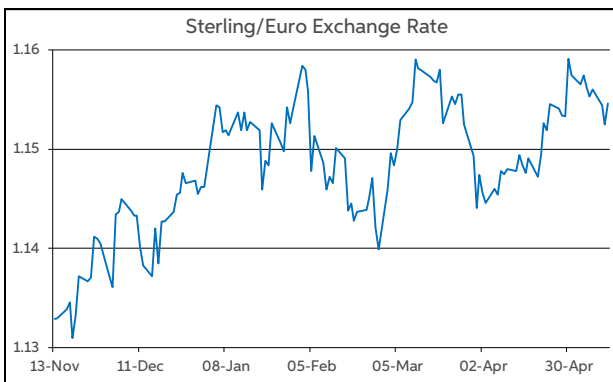
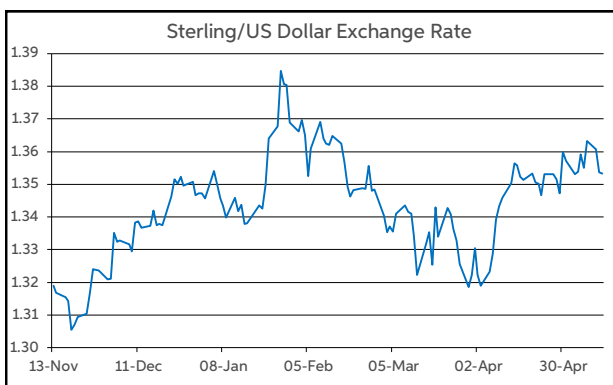
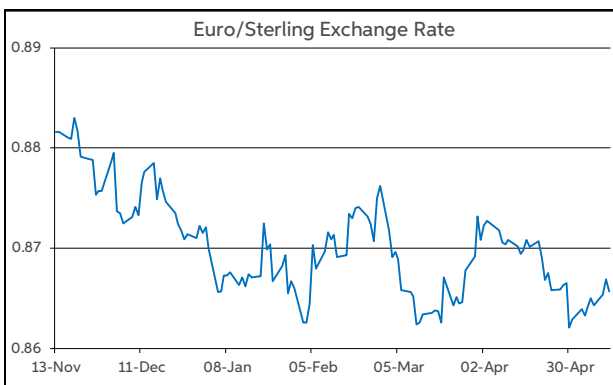
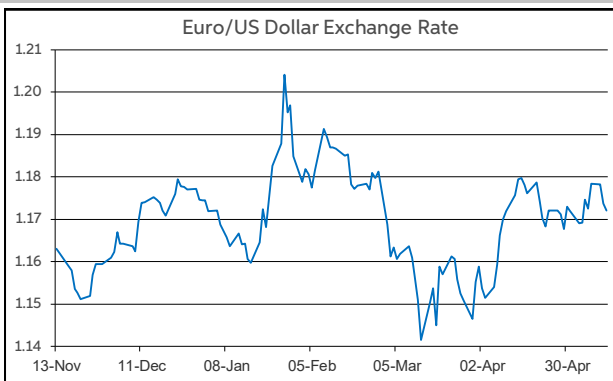
UK PM Starmer came under increasing pressure to resign yesterday, as a number of junior ministers stepped down and joined other MPs, calling for him to quit. However, for now at least, Starmer has vowed to continue as PM. Meantime, headline US CPI inflation rose to 3.8% (vs. 3.7% f'cast) and the core rate to 2.8% (vs. 2.7% f'cast) in April. US market rate expectations formed in the aftermath of the release. Markets now see a 75% chance of Fed rate hike in Q1 next year.

Currency-wise, the dollar was in the ascendancy for most of yesterday, albeit its gains were modest. The greenback was already strengthening before the CPI release, but it moved markedly higher following the hardening in US rates. Elsewhere, sterling was on the defensive yesterday, despite a sharper rise in UK Gilt yields compared to elsewhere, amid the speculation regarding PM Starmer's position. However, the pound recouped some of its losses overnight.

As trading gets underway, EUR/USD is back in the lower half of the \$1.17-1.18 corridor. GBP/USD is changing hands in the bottom half of the \$1.35-1.36 trading band. EUR/GBP is operating near the midpoint of the 86-87p range.

Looking ahead, news flow regarding the war in the Middle East will remain in focus. Likewise, ongoing speculation in relation to PM Starmer's position may continue to impact sterling. Data-wise, the flash reading of Eurozone employment and the second reading of GDP (both for Q1) will be the highlight.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1721	-0.30	-0.20
EUR/GBP	0.8657	0.05	-0.67
GBP/USD	1.3532	-0.38	0.44
GBP/EUR	1.1543	-0.05	0.67
USD/JPY	157.71	0.10	0.68
EUR/JPY	184.88	-0.20	0.48

\* 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	3.62	3.65	3.78	4.10	4.11
EUR	2.00	1.95	2.25	2.77	2.88	2.93
GBP	3.75	3.74	3.83	4.26	4.59	4.59

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

Wednesday 13 May 2026  
08:05 am



## Euro

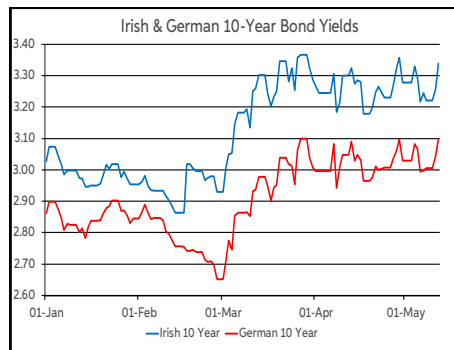
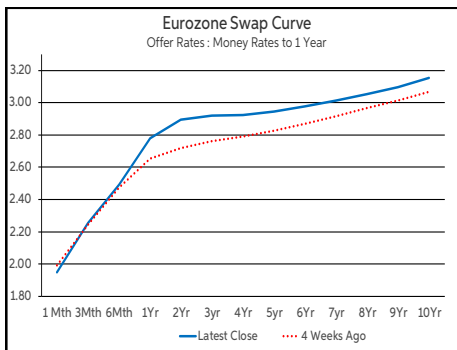
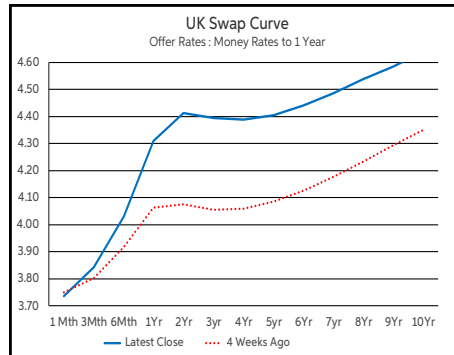
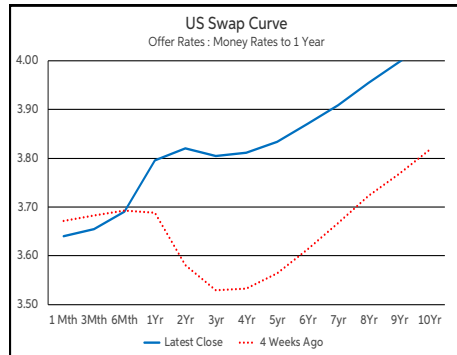
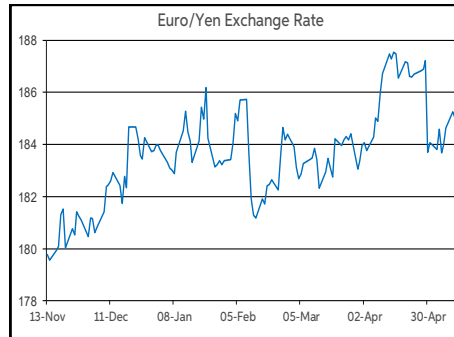
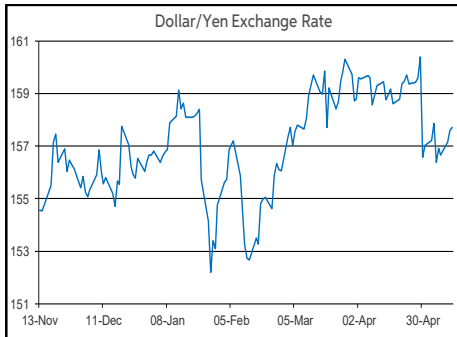
EUR/GBP	0.8657
EUR/USD	1.1721
EUR/JPY	184.88
EUR/SEK	10.9024
EUR/DKK	7.4725
EUR/NOK	10.7819
EUR/CHF	0.9156
EUR/AUD	1.6191
EUR/HKD	9.1779
EUR/CAD	1.6061

## Sterling

GBP/EUR	1.1543
GBP/USD	1.3532
GBP/CAD	1.8545
GBP/NZD	2.2781
GBP/JPY	213.41
GBP/SEK	12.5872
GBP/DKK	8.6269
GBP/NOK	12.4496
GBP/CHF	1.0569
GBP/AUD	1.8694

## Dollar

USD/JPY	157.71
USD/CAD	1.3703
USD/CHF	0.7809
USD/CNY	6.7903
USD/BRL	4.8913
USD/RUB	73.7
USD/INR	95.6675
AUD/USD	0.7239
NZD/USD	0.5938



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
<b>10 Year Yield %</b>				
US	4.46	+5	+21	+31
Germany	3.10	+5	+7	+23
UK	5.10	+10	+32	+63
Ireland	3.34	+8	+7	+31
Belgium	3.55	+6	+9	+21
France	3.73	+7	+7	+17
Italy	3.87	+9	+9	+36
Spain	3.53	+6	+6	+24
Portugal	3.49	+7	+6	+33
Greece	3.81	+7	+1	+33
<b>5 Year Swap %</b>				
US	4.10	+4	+26	+37
Eurozone	2.93	+6	+12	+37
UK	4.64	+7	+34	+74
<b>2 Year Swap %</b>				
US	4.08	+5	+26	+51
Eurozone	2.89	+5	+17	+63
UK	4.64	+5	+36	+91
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	24	+3	-0	+8
Belgium	46	+1	+3	-3
France	63	+1	+1	-6
Italy	77	+4	+2	+12
Spain	43	+1	-1	+0
Portugal	39	+2	-1	+9
Greece	71	+2	-6	+9

Commodities				
	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	107.77	+3.42	+13.69	+77.11
West Texas Oil	105.78	+4.16	+13.66	+84.74
Gold \$	4713.7	-0.43	-2.62	+9.26

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