

Sterling regains some ground

There was a generally cautious tone to the proceedings across financial markets for much of yesterday. A quiet data calendar meant market sentiment was reactive to headlines regarding the Middle East conflict. These 'headlines' in relation to whether progress was being made on finding a diplomatic resolution to the war were mixed in tone, which created some volatility on markets.

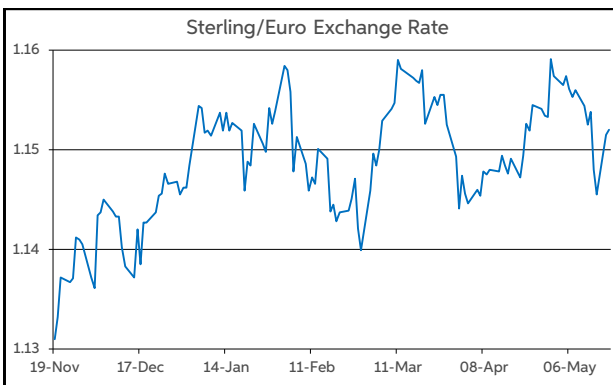
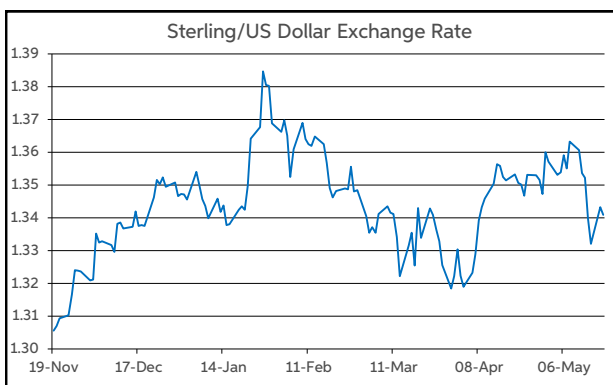
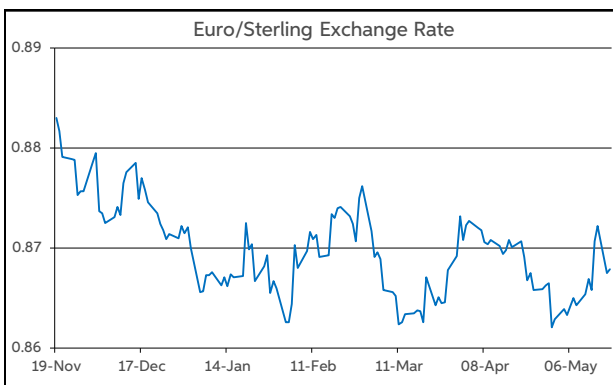
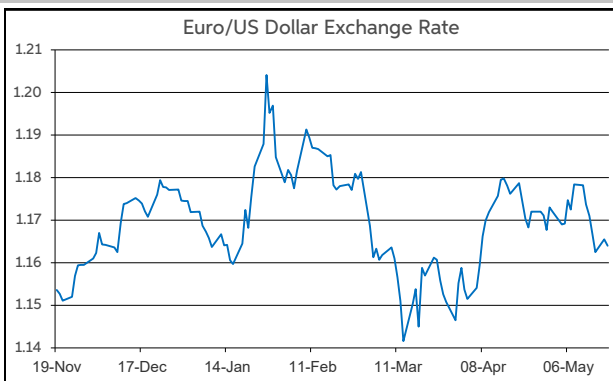
Oil prices initially started yesterday experiencing some further upward pressure. Brent Crude was in and around \$111-112/bbl in early trading before easing back briefly below the \$110 threshold. Overall, it tended to trade in a \$109-112 range yesterday. In terms of equity markets, in Europe, the Euro Stoxx 50 rose by 0.4%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 index was broadly flat on the day.

From a currency perspective, the majors were confined to narrow ranges for most of yesterday. The dollar's movements remained correlated with the action in oil prices. Elsewhere, sterling recouped some of its losses from last week. It was aided by comments from potential Labour Party leader candidate Burnham endorsing Chancellor Reeves fiscal rules.

In level terms, EUR/USD opens this morning in and around the midpoint of \$1.16-1.17. Meantime, the firmer tone to sterling is reflected in GBP/USD operating back above the \$1.34 threshold and EUR/GBP changing hands below the 87p mark.

Today's macro data diary has already seen a flurry of activity from the UK, with a raft of labour market metrics released. This included the unemployment rate, which rose to 5.0% at the end of Q1 (vs. 4.9% f'cast). The remainder of today's macro agenda is sparse. Therefore, newsflow/developments in relation to the Middle East will remain the main potential directional driver for markets today.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.164	0.17	-0.89
EUR/GBP	0.8679	-0.53	-0.41
GBP/USD	1.341	0.72	-0.47
GBP/EUR	1.1518	0.53	0.41
USD/JPY	159.02	0.04	1.51
EUR/JPY	185.13	0.21	0.62

* 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	3.59	3.64	3.82	4.21	4.25
EUR	2.00	1.95	2.23	2.81	2.92	3.00
GBP	3.75	3.72	3.81	4.24	4.62	4.63

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

Tuesday 19 May 2026
07:05 am



Euro

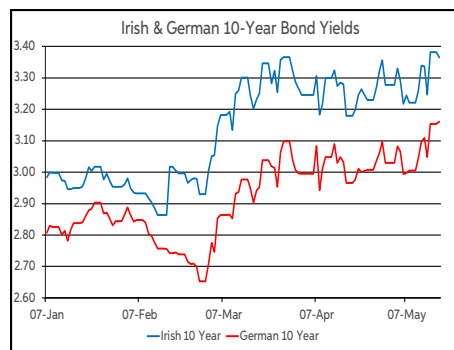
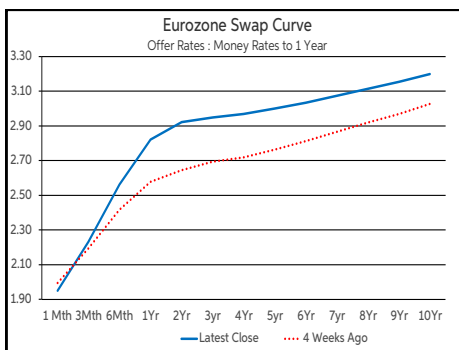
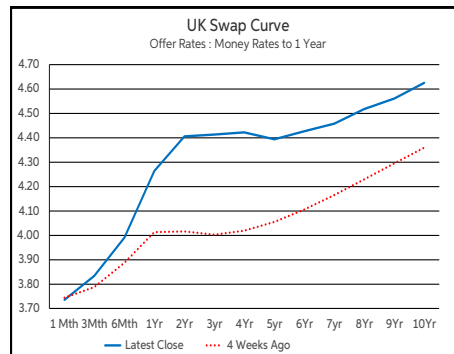
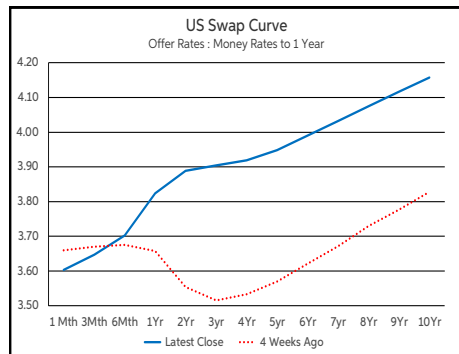
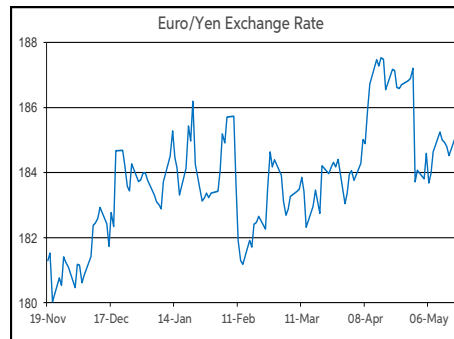
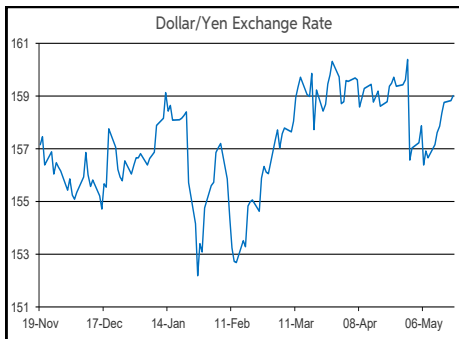
EUR/GBP	0.8679
EUR/USD	1.164
EUR/JPY	185.13
EUR/SEK	10.9525
EUR/DKK	7.4729
EUR/NOK	10.787
EUR/CHF	0.9146
EUR/AUD	1.631
EUR/HKD	9.1158
EUR/CAD	1.5998

Sterling

GBP/EUR	1.1518
GBP/USD	1.341
GBP/CAD	1.8427
GBP/NZD	2.2887
GBP/JPY	213.23
GBP/SEK	12.6173
GBP/DKK	8.6063
GBP/NOK	12.4267
GBP/CHF	1.0537
GBP/AUD	1.8789

Dollar

USD/JPY	159.02
USD/CAD	1.3744
USD/CHF	0.7856
USD/CNY	6.7999
USD/BRL	4.9902
USD/RUB	72.35
USD/INR	96.335
AUD/USD	0.7134
NZD/USD	0.5856



Debt Markets				
	Close	Day	Change bps	
			4 Weeks	End 25
10 Year Yield %				
US	4.62	+3	+37	+47
Germany	3.16	+1	+18	+30
UK	5.11	-7	+27	+64
5 Year Swap %				
US	4.22	-2	+39	+50
Eurozone	2.99	-2	+24	+42
UK	4.62	-8	+32	+72
2 Year Swap %				
US	4.16	-1	+35	+59
Eurozone	2.92	-3	+28	+66
UK	4.61	-6	+35	+88
10 Year Government Bond Spreads to Benchmark bps				
Ireland	20	-2	-2	+4
Belgium	55	-4	+9	+6
France	78	-3	+14	+8
Italy	78	-3	+3	+13
Spain	43	-3	-2	-0
Portugal	39	-0	+0	+10
Greece	70	-1	+0	+8

Commodities				
	Close	Day	% Change	
			4 Weeks	End 25
Brent Oil	112.1	+2.60	+17.41	+84.22
West Texas Oil	112.25	+2.99	+23.27	+96.04
Gold \$	4566.0	+0.62	-5.26	+5.84

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