

Markets awaiting Middle East developments

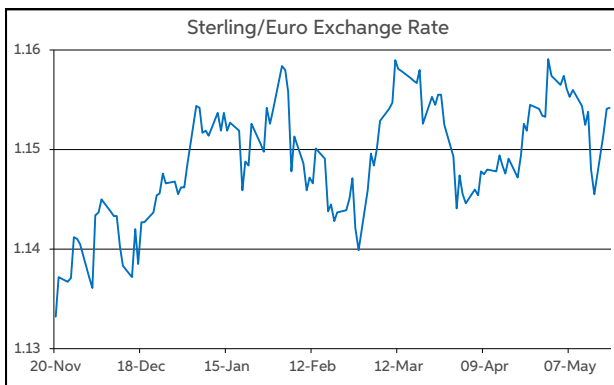
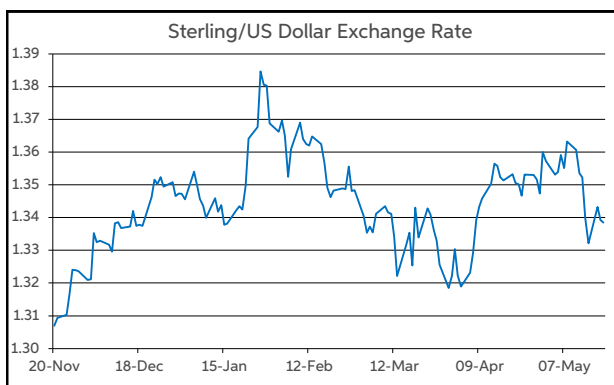
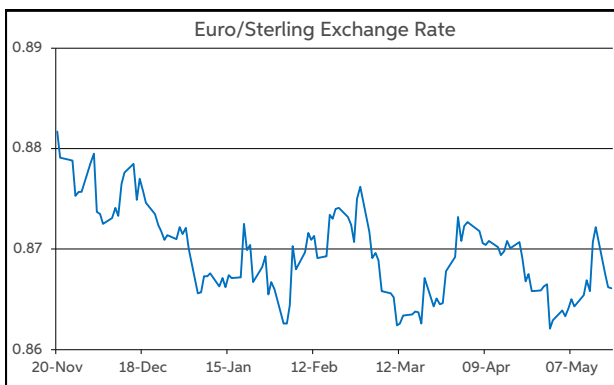
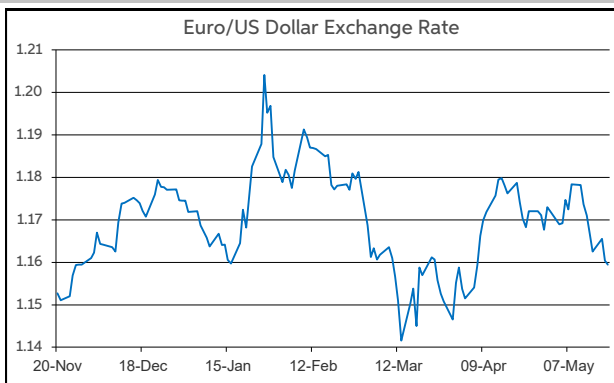
There was a muted tone to risk appetite yesterday. Investors were waiting for definitive signs of progress on finding a diplomatic resolution to the Middle East conflict. This followed comments the previous evening from President Trump which suggested some renewed efforts to end the deadlock between the US and Iran.

Against this backdrop, oil prices remained elevated. Brent crude traded in a \$109-112 range yesterday. The subdued tone to investor sentiment was evident in the Euro Stoxx 50 index being broadly flat on the day. Meantime, at the closing bell on Wall Street last night, the S&P 500 index was 0.7% lower, reflecting in part disappointment at the lack of any progress on a peace deal.

On the currency front, the dollar remained in the ascendancy amid the elevated oil price environment. The greenback was also supported by a move higher in US Treasury yields and swap rates relative to elsewhere. In level terms, the magnitude of moves has been relatively modest over the past 24 hours. However, the EUR/USD pair did test below the \$1.16 threshold to a low of \$1.1592. Meantime, GBP/USD was unable to sustain its hold on the \$1.34 handle and opens this morning in the top half of \$1.33-1.34. Elsewhere, EUR/GBP has edged nearer to the midpoint of 86-87p.

Similar to yesterday, we have already had some early morning data releases from the UK macro diary. Headline CPI inflation for April printed at 2.8%, which compares to the consensus forecast of 3.0%. Meanwhile, the core rate fell to 2.5% (vs. 2.6% f'cast). The remainder of today's data calendar is sparse. On the monetary policy front, BoE Governor Bailey appears at the Treasury Select Committee. In the US, the Fed minutes from their April meeting (Powell's last as Chair) will be published after the European close. Overall though, the market's attention is likely to remain centred on the Middle East.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1595	-0.35	-1.28
EUR/GBP	0.8661	-0.20	-0.62
GBP/USD	1.3385	-0.15	-0.65
GBP/EUR	1.1542	0.20	0.62
USD/JPY	159	0.01	1.50
EUR/JPY	184.37	-0.35	0.21

* 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	3.57	3.63	3.85	4.24	4.31
EUR	2.00	1.97	2.22	2.83	2.95	3.02
GBP	3.75	3.73	3.81	4.24	4.63	4.68

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 20 May 2026
07:04 am



Euro

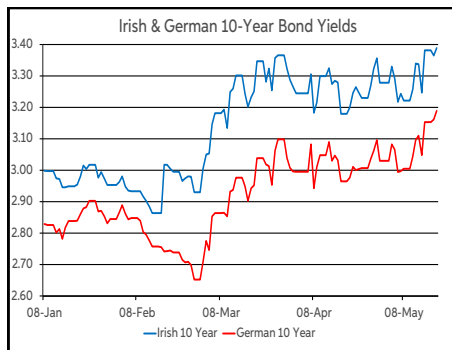
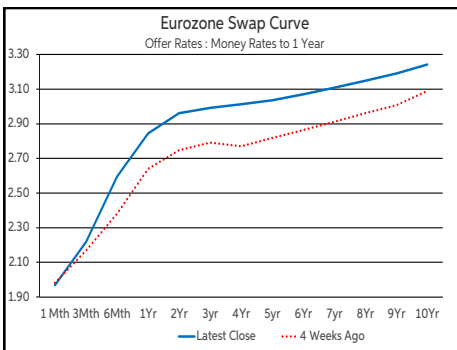
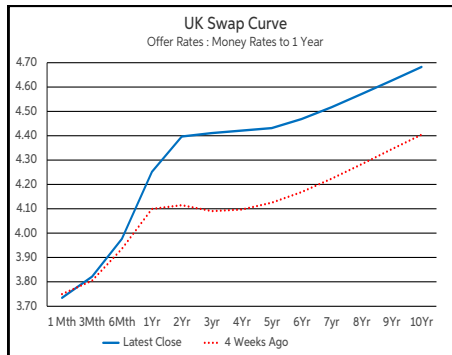
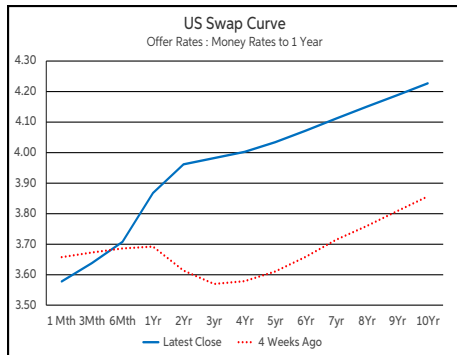
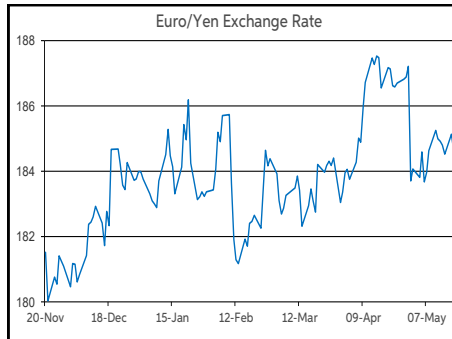
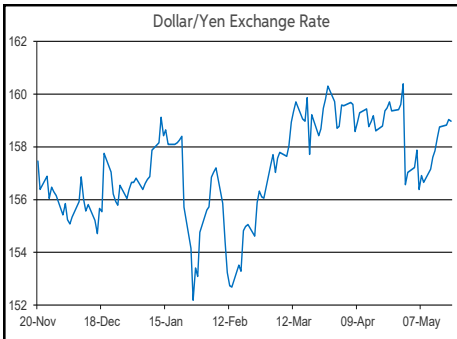
EUR/GBP	0.8661
EUR/USD	1.1595
EUR/JPY	184.37
EUR/SEK	10.9176
EUR/DKK	7.473
EUR/NOK	10.7582
EUR/CHF	0.9162
EUR/AUD	1.6326
EUR/HKD	9.0817
EUR/CAD	1.5952

Sterling

GBP/EUR	1.1542
GBP/USD	1.3385
GBP/CAD	1.8414
GBP/NZD	2.295
GBP/JPY	212.82
GBP/SEK	12.6017
GBP/DKK	8.6239
GBP/NOK	12.4173
GBP/CHF	1.0575
GBP/AUD	1.8842

Dollar

USD/JPY	159
USD/CAD	1.3759
USD/CHF	0.7901
USD/CNY	6.81
USD/BRL	5.0477
USD/RUB	70.7
USD/INR	96.835
AUD/USD	0.7101
NZD/USD	0.583



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.67	+5	+38	+52
Germany	3.19	+3	+18	+33
UK	5.13	+2	+25	+66
5 Year Swap %				
US	4.31	+9	+44	+58
Eurozone	3.02	+3	+22	+46
UK	4.66	+4	+29	+77
2 Year Swap %				
US	4.23	+8	+39	+65
Eurozone	2.96	+4	+21	+70
UK	4.62	+1	+26	+89
10 Year Government Bond Spreads to Benchmark bps				
Ireland	20	-0	-3	+3
Belgium	56	+1	+10	+8
France	79	+1	+14	+9
Italy	79	+1	+1	+14
Spain	44	+1	-2	+1
Portugal	40	+0	-2	+10
Greece	66	-4	-1	+5

Commodities

	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	111.28	-0.73	+13.00	+82.88
West Texas Oil	112.09	-0.14	+19.70	+95.76
Gold \$	4481.3	-1.86	-4.89	+3.87

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