

Market sensitivity to Middle East remains

The market discourse was once again dominated last week by newsflow regarding the status of negotiations between the US and Iran to secure a peace deal to bring an end to the Middle East conflict. As a result, investor sentiment was reactive to the varied and conflicting reports as to how the discussions were progressing.

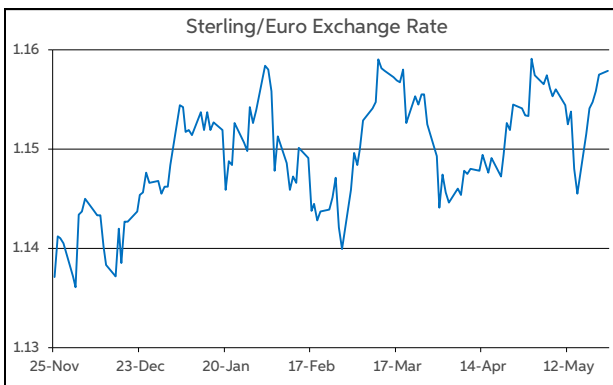
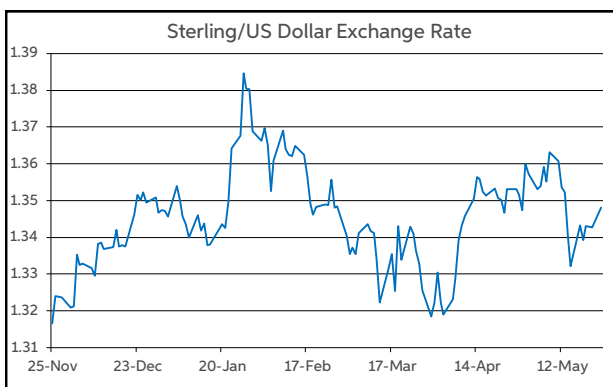
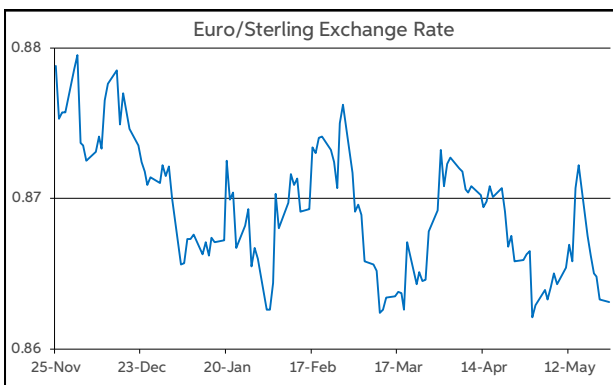
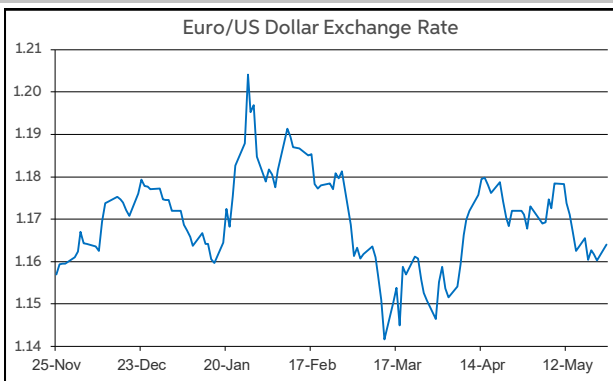
Overall, amid signs of some progress on securing a resolution to the conflict, and by extension, some mild easing in oil prices, risk appetite held an overall positive tone over the course of the week. This was reflected in gains in equity markets on both sides of the Atlantic. Although, for a change, it was European indices that outperformed. The Euro Stoxx 50 gained 3.3% on the week. Meanwhile, by the closing bell on Wall Street on Friday night, the S&P 500 index was 0.9% higher compared to where it started Monday.

From a currency perspective, the action amongst the majors was somewhat volatile but was generally confined to relatively narrow ranges. The dollar continued to be supported by elevated oil prices as well as some firming in US rate expectations. Meanwhile, sterling recovered some ground following the previous week's more challenging 'political' backdrop.

In level terms, EUR/USD traded to a low of \$1.157, before settling above the \$1.16 threshold. Meantime, amid the improvement in sterling, the EUR/GBP pair eased back into the lower half of 86-87p, while GBP/USD moved onto the top half of \$1.34-1.35.

Looking ahead to this week, the Middle East conflict will continue to be a key potential directional driver for markets. From a data perspective, there are some key inflation updates due in the US (core -PCE for April) and Eurozone (flash HICP from Germany, France and Italy for May), which will form important inputs into the respective central bank's policy deliberations.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.164	0.22	-0.89
EUR/GBP	0.8631	-0.19	-0.96
GBP/USD	1.3481	0.39	0.06
GBP/EUR	1.1578	0.19	0.97
USD/JPY	158.9	-0.11	1.44
EUR/JPY	184.99	0.12	0.54

* 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	3.60	3.64	3.85	4.24	4.25
EUR	2.00	1.95	2.20	2.70	2.79	2.84
GBP	3.75	3.73	3.79	4.15	4.47	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

Monday 25 May 2026
07:42 am



Euro

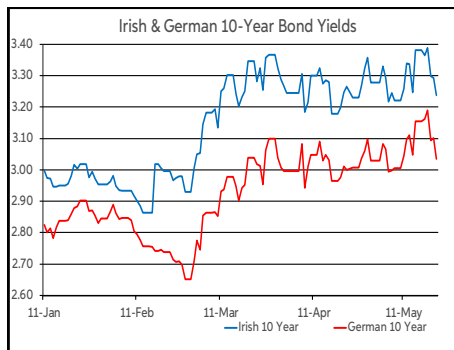
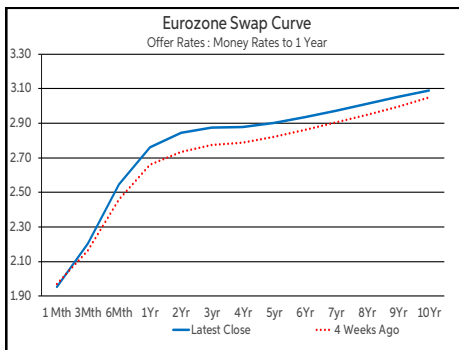
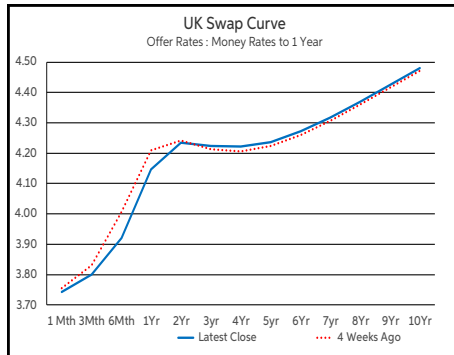
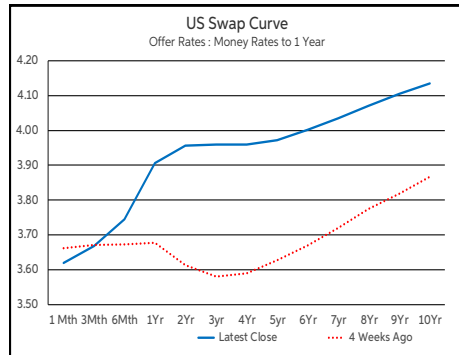
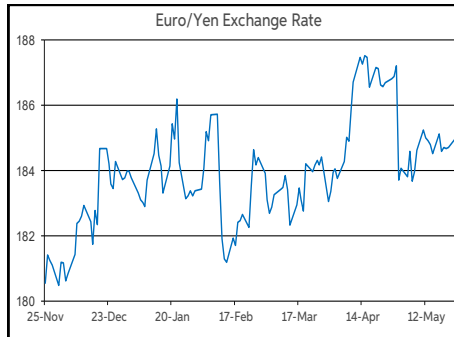
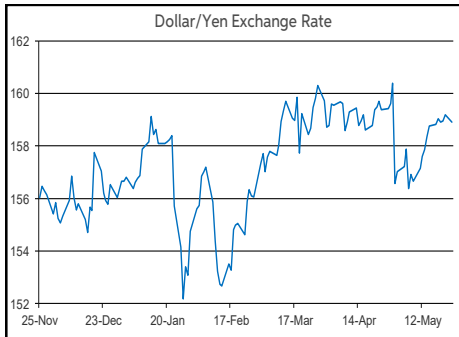
EUR/GBP	0.8631
EUR/USD	1.164
EUR/JPY	184.99
EUR/SEK	10.8135
EUR/DKK	7.4727
EUR/NOK	10.753
EUR/CHF	0.9099
EUR/AUD	1.6243
EUR/HKD	9.12
EUR/CAD	1.607

Sterling

GBP/EUR	1.1578
GBP/USD	1.3481
GBP/CAD	1.8612
GBP/NZD	2.294
GBP/JPY	214.21
GBP/SEK	12.5224
GBP/DKK	8.6515
GBP/NOK	12.442
GBP/CHF	1.0536
GBP/AUD	1.8806

Dollar

USD/JPY	158.9
USD/CAD	1.3809
USD/CHF	0.7815
USD/CNY	6.7807
USD/BRL	5.0401
USD/RUB	71.95
USD/INR	95.2175
AUD/USD	0.7165
NZD/USD	0.5872



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.57	-1	+26	+42
Germany	3.03	-7	+3	+17
UK	4.91	-6	-1	+43
Ireland				
Ireland	3.24	-5	+1	+21
Belgium	3.58	-8	+13	+23
France	3.81	-8	+16	+25
Italy	3.78	-8	-2	+27
Spain	3.47	-8	+2	+17
Portugal	3.42	-9	-1	+26
Greece	3.71	-7	-9	+23
5 Year Swap %				
US	4.24	+1	+35	+51
Eurozone	2.87	-5	+7	+31
UK	4.48	-3	+3	+58
2 Year Swap %				
US	4.23	+5	+36	+66
Eurozone	2.83	-5	+10	+57
UK	4.46	-0	+0	+73
10 Year Government Bond Spreads to Benchmark bps				
Ireland	20	+1	-2	+4
Belgium	54	-1	+10	+6
France	78	-1	+14	+8
Italy	75	-1	-5	+10
Spain	43	-1	-1	+0
Portugal	38	-2	-4	+9
Greece	67	+0	-11	+5

Commodities				
	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	103.54	+0.94	-1.70	+70.16
West Texas Oil	100.35	+0.15	+1.96	+75.25
Gold \$	4508.7	-0.78	-4.25	+4.51

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