

Hawkish ECB remarks support the euro

There was a cautious tone to investor sentiment yesterday. The focus remained largely on developments in the Middle East, following renewed US military strikes against Iran. However, markets appear to have taken some comfort from the lack of retaliation from Iran, and from reports that peace talks between both sides have continued. Nevertheless, oil prices rose slightly yesterday, with Brent crude increasing by 1.5% to just below \$100 per barrel.

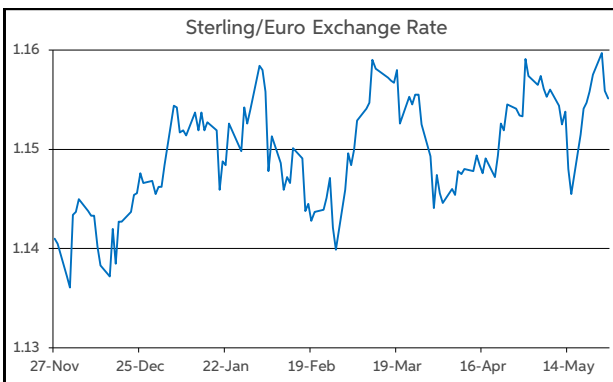
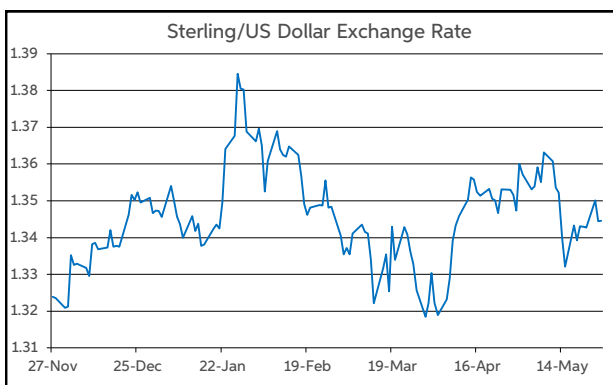
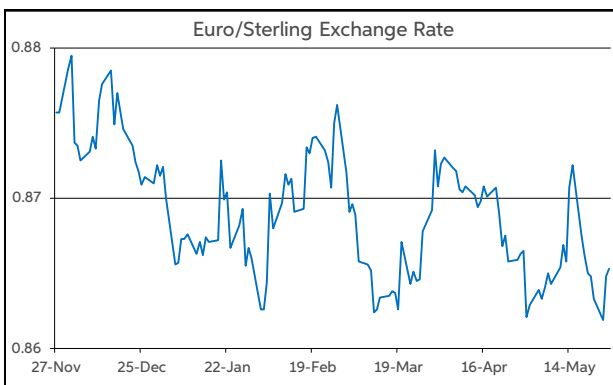
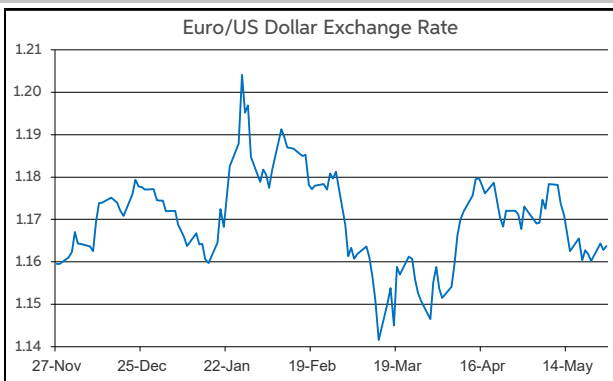
Elsewhere on markets, some hawkish remarks from ECB Executive Board member Schnabel, led to a slight firming in Eurozone interest rate futures. Schnabel indicated her preference for tightening policy in June, stating that a rate hike next month “will be needed”. Meantime on the data front, the US Conference Board measure of consumer confidence printed above the consensus, at 93.1 (vs. 92.0 f’cast). Against this backdrop, the Euro Stoxx 50 fell by 1.2%. On Wall Street, the S&P 500 registered a modest 0.6% gain.

Currency-wise, the main pairs remained relatively range bound once again yesterday. Of the limited moves to note, the dollar was holding a marginally firmer tone, amid the cautious tone to risk appetite. Meanwhile, the euro strengthened somewhat, as market interest rate expectations hardened.

In level terms, this sees EUR/GBP open today at the midpoint of 86-87p. GBP/USD is operating back below the halfway mark of the \$1.34 -1.35 band. Elsewhere, EUR/USD remains in the bottom half of the \$1.16-1.17 corridor. USD/JPY is trading above the ¥159 handle.

Turning to the day ahead, developments in the Middle East will remain in focus. In particular, markets will be looking for signs of further progress in peace talks between the US and Iran. The macro data calendar is sparse on both sides of the Atlantic.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1639	0.09	-0.90
EUR/GBP	0.8653	0.32	-0.71
GBP/USD	1.3446	-0.24	-0.20
GBP/EUR	1.1552	-0.32	0.72
USD/JPY	159.34	0.22	1.72
EUR/JPY	185.46	0.30	0.80

* 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	3.61	3.65	3.83	4.15	4.16
EUR	2.00	1.94	2.20	2.68	2.75	2.80
GBP	3.75	3.74	3.79	4.09	4.42	4.44

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 27 May 2026
07:04 am



Euro

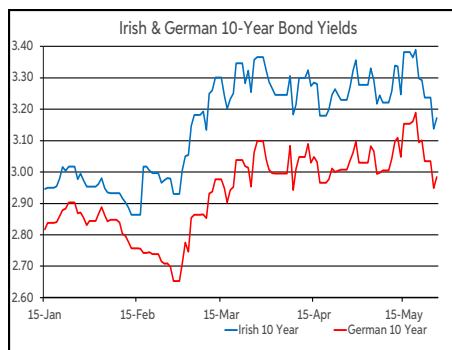
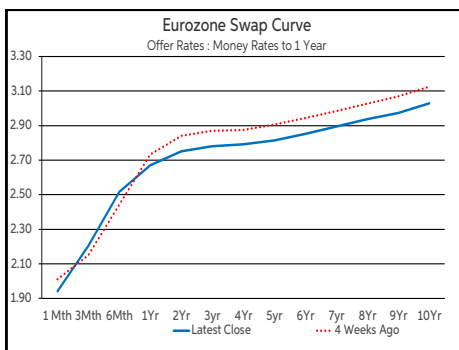
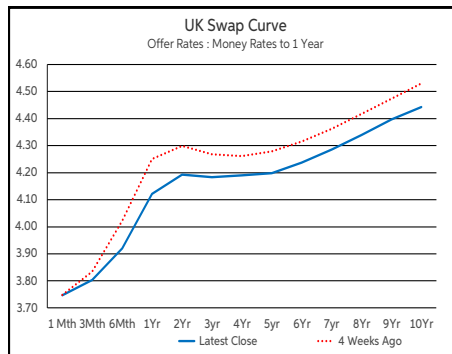
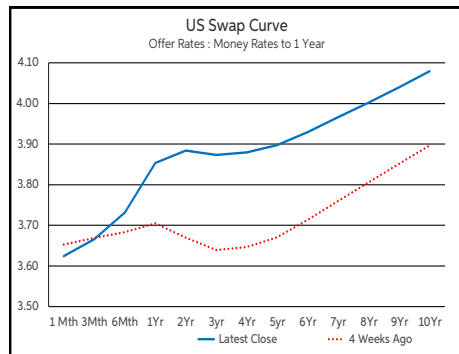
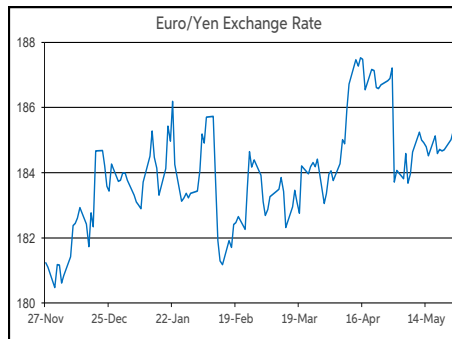
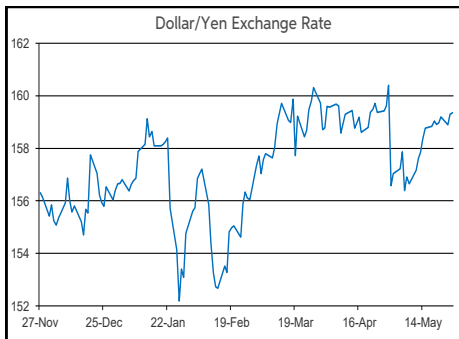
EUR/GBP	0.8653
EUR/USD	1.1639
EUR/JPY	185.46
EUR/SEK	10.815
EUR/DKK	7.472
EUR/NOK	10.7946
EUR/CHF	0.9138
EUR/AUD	1.6263
EUR/HKD	9.1197
EUR/CAD	1.6073

Sterling

GBP/EUR	1.1552
GBP/USD	1.3446
GBP/CAD	1.8571
GBP/NZD	2.2892
GBP/JPY	214.26
GBP/SEK	12.4935
GBP/DKK	8.6316
GBP/NOK	12.4706
GBP/CHF	1.0558
GBP/AUD	1.879

Dollar

USD/JPY	159.34
USD/CAD	1.3812
USD/CHF	0.7852
USD/CNY	6.7805
USD/BRL	5.032
USD/RUB	71.9955
USD/INR	95.7775
AUD/USD	0.7154
NZD/USD	0.5871



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.49	-8	+14	+34
Germany	2.98	+3	-8	+12
UK	4.88	-3	-13	+40
5 Year Swap %				
US	4.16	-8	+22	+43
Eurozone	2.81	+3	-8	+25
UK	4.43	-5	-9	+53
2 Year Swap %				
US	4.14	-9	+22	+57
Eurozone	2.75	+2	-9	+49
UK	4.41	-5	-14	+68
10 Year Government Bond Spreads to Benchmark bps				
Ireland	19	-0	-7	+2
Belgium	53	-1	+4	+5
France	68	+0	+2	-1
Italy	72	+2	-11	+7
Spain	42	+0	-5	-1
Portugal	39	+1	-4	+9
Greece	66	+1	-13	+4

Commodities				
	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	99.58	+3.58	-10.50	+63.65
West Texas Oil	97.63	-2.71	-5.63	+70.50
Gold \$	4506.0	-1.41	-1.93	+4.45

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