

## Dollar under pressure as oil prices decline

Initially there was a risk averse mood on markets yesterday, as investors continued to digest a return to combat in the US-Iran war. However, sentiment rebounded sharply heading into the European close, amid reports that both sides had agreed a memorandum of understanding, which would extend the fragile truce for 60-days, and lead to the complete re-opening of the Strait of Hormuz. Amid the reports, Brent crude oil prices fell from an intra-day peak of \$98/bbl to \$92/bbl. However, it should be noted that the deal still needs to be formally approved by both sides.

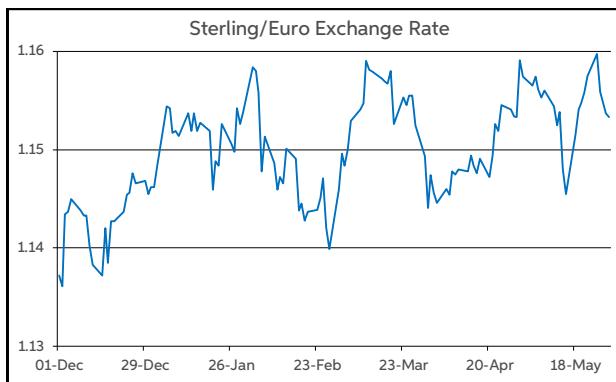
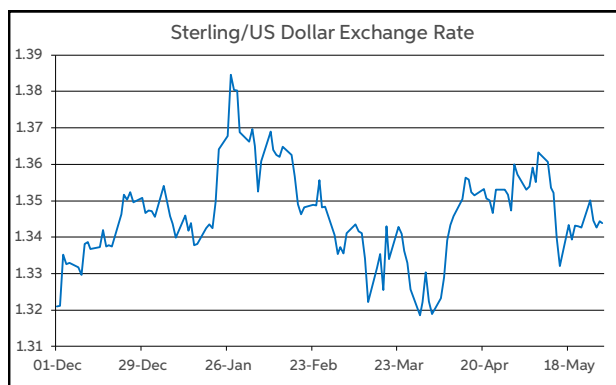
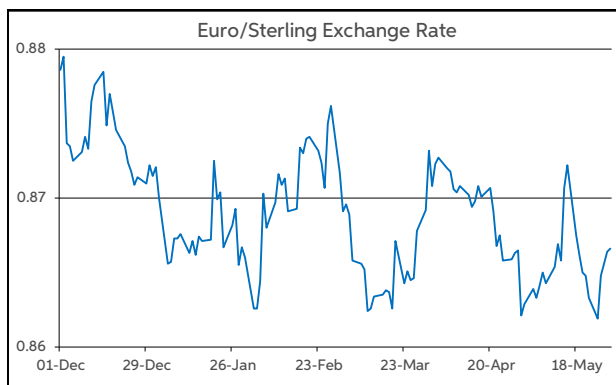
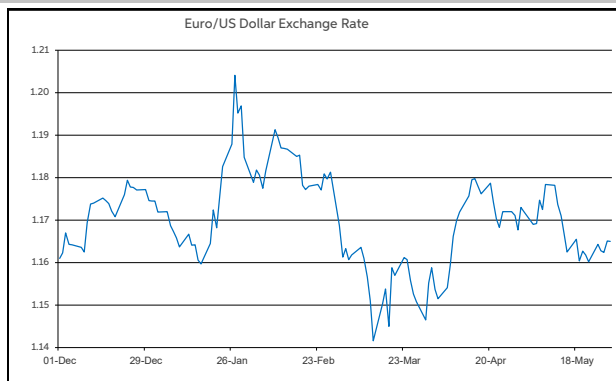
In terms of monetary policy, the ECB meeting minutes struck a hawkish tone. Most notably, the minutes showed that several council members would not have opposed a proposal to hike rates in April. Data-wise, US core-PCE inflation printed in line with the consensus, rising to 3.3% in April from 3.2%. However, US GDP growth was revised down to 1.6% annualised in Q1, from 2.0% previously.

On the currency front, the dollar came under some downward pressure as oil prices declined yesterday. Overall, the greenback shed circa 0.5% against the euro and sterling. Elsewhere, the main pairs remained relatively range bound.

In level terms, the softer tone to the dollar is reflected by EUR/USD opening this morning up at the midpoint of the \$1.16-1.17 corridor. GBP/USD is operating in the lower half of the \$1.34-1.35 band. Meantime, EUR/GBP is trading in the upper half of 86-87p.

Turning to the day ahead, developments in the Middle East will be in focus once again. On the data front, the flash estimate of HICP inflation for May in some of the large Eurozone economies (Germany, France, Italy & Spain) will be released. Meanwhile, remarks from a number of central bank officials will also warrant close attention.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1649	0.50	-0.82
EUR/GBP	0.8668	0.06	-0.54
GBP/USD	1.3437	0.46	-0.27
GBP/EUR	1.1533	-0.06	0.54
USD/JPY	159.26	-0.19	1.67
EUR/JPY	185.53	0.30	0.84

\* 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	4.17	4.17
EUR	2.00	1.90	2.23	2.69	2.75	2.81
GBP	3.75	3.73	3.78	4.06	4.34	4.37

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

Friday 29 May 2026  
07:46 am



## Euro

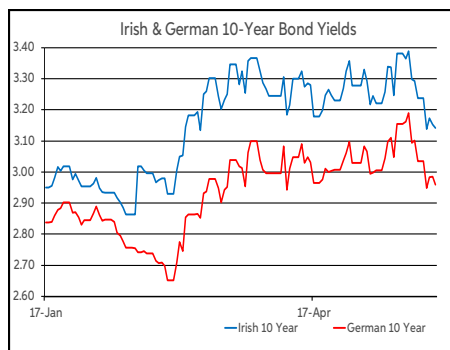
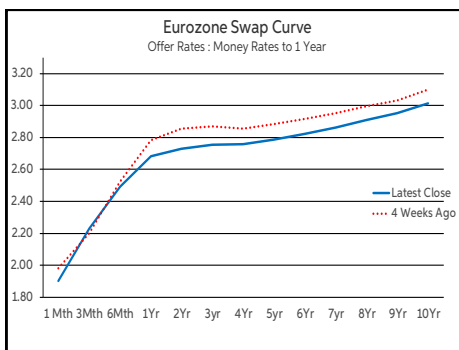
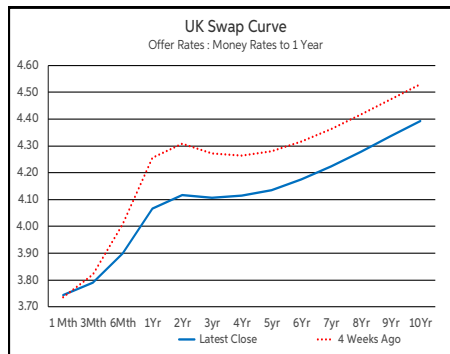
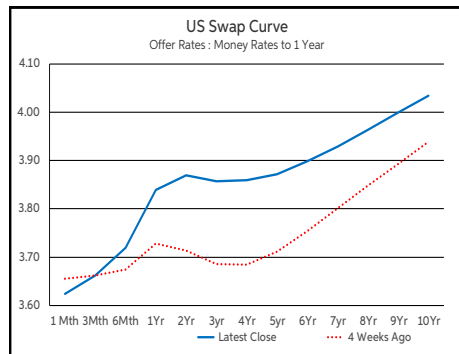
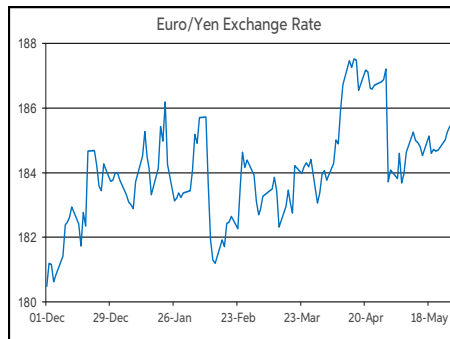
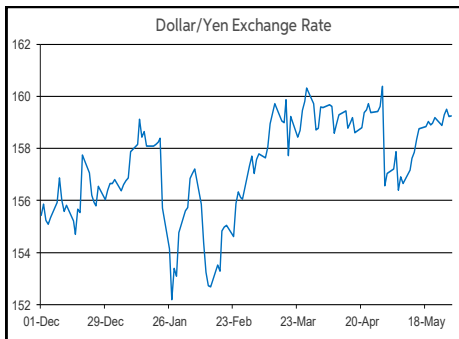
EUR/GBP	0.8668
EUR/USD	1.1649
EUR/JPY	185.53
EUR/SEK	10.7644
EUR/DKK	7.4728
EUR/NOK	10.7954
EUR/CHF	0.9127
EUR/AUD	1.627
EUR/HKD	9.1274
EUR/CAD	1.6067

## Sterling

GBP/EUR	1.1533
GBP/USD	1.3437
GBP/CAD	1.8534
GBP/NZD	2.2552
GBP/JPY	214
GBP/SEK	12.4168
GBP/DKK	8.6189
GBP/NOK	12.4498
GBP/CHF	1.0528
GBP/AUD	1.8768

## Dollar

USD/JPY	159.26
USD/CAD	1.3793
USD/CHF	0.7835
USD/CNY	6.7696
USD/BRL	5.0445
USD/RUB	71.3
USD/INR	95.375
AUD/USD	0.7158
NZD/USD	0.5956



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
<b>10 Year Yield %</b>				
US	4.46	-3	+7	+30
Germany	2.96	-2	-7	+10
UK	4.82	-4	-20	+35
<b>5 Year Swap %</b>				
US	4.13	-3	+17	+41
Eurozone	2.77	-4	-11	+21
UK	4.37	-4	-15	+47
<b>2 Year Swap %</b>				
US	4.13	-2	+18	+55
Eurozone	2.72	-3	-13	+47
UK	4.35	-2	-19	+62
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	18	+1	-7	+2
Belgium	54	-0	+5	+5
France	63	-6	-4	-7
Italy	73	-0	-10	+8
Spain	42	-1	-5	-1
Portugal	39	+1	-2	+9
Greece	69	+6	-11	+8

Commodities				
	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	93.71	-0.62	-17.81	+54.00
West Texas Oil	92.65	+0.32	-14.72	+61.81
Gold \$	4491.9	+0.78	-2.81	+4.12

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