

Morning Comment

AIB Treasury Economic Research Unit



Friday 13 March 2026
07:21 am

EUR/USD below \$1.15

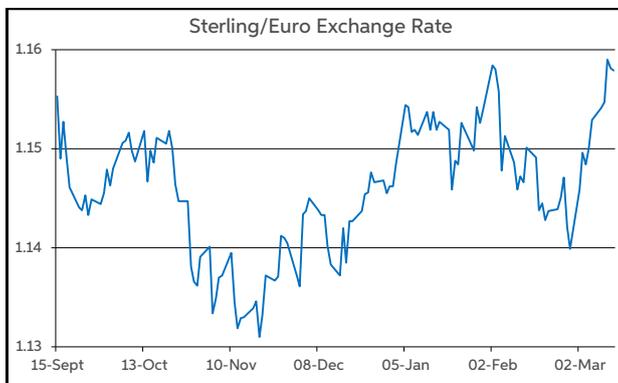
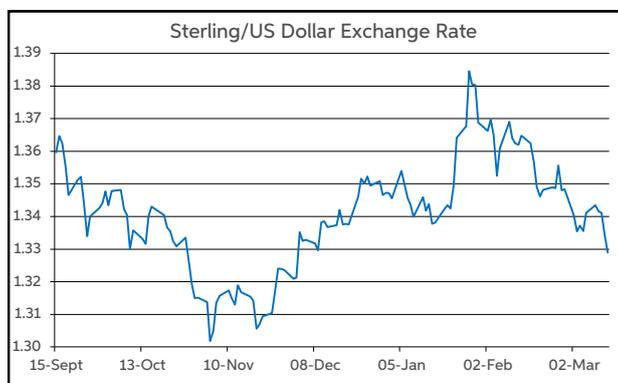
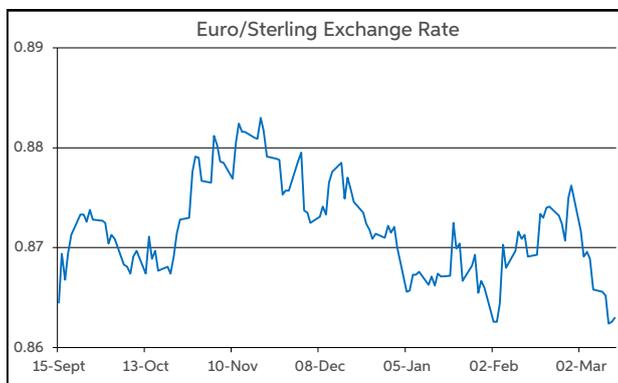
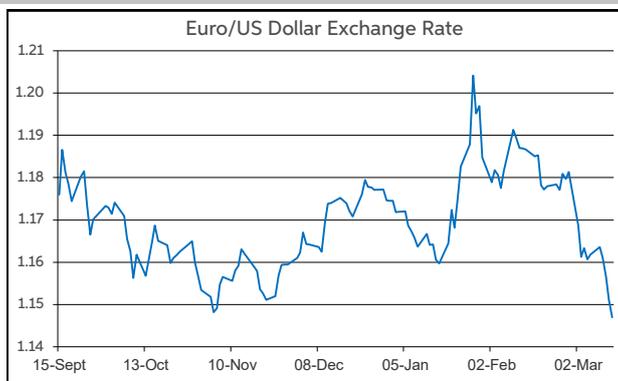
The Middle East conflict continued to set the tone for the action on financial markets yesterday. There have been no signs of any easing in the conflict with attacks on oil and transport infrastructure in the region. As a result, oil prices remained under upward pressure, with Brent crude moving back above \$100 per barrel.

This meant 'inflation' fears have remained very much at the forefront of investor's minds over the past 24 hours. This in turn has weighed on risk appetite. The 'risk off' mood was reflected in falls for the main equity indices on both sides of the Atlantic yesterday. In Europe, the Euro Stoxx 50 declined by 0.8%. At the closing bell on Wall Street last night, the S&P 500 was 1.5% lower on the day. Overnight, the Nikkei has fallen by 1.2%.

From a currency viewpoint, the dollar has continued to hold the upper hand, benefitting from safe haven demand amid the risk averse backdrop and movement in interest rate differentials. In level terms, the stronger dollar tone is reflected in EUR/USD opening this morning below the \$1.15 threshold for the first time since last November. Meantime, GBP/USD is changing hands below the \$1.33 mark, while USD/JPY is above ¥159. Elsewhere, EUR/GBP continues to operate in a narrow corridor, just above the 86p handle.

Already this morning, we have had UK GDP for January published. The economy was flat in January, disappointing expectations for 0.2% m/m growth. There is a busy diary of US releases today. This includes the second reading of Q4'25 GDP, core-PCE inflation/personal income/spending, durable goods (all Jan) as well as consumer sentiment (Feb). However, the data is unlikely to divert market participants gaze away from the Middle East. Developments and news flow in relation to the conflict are likely to remain the main factor impacting market sentiment/action heading into the weekend.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.147	-0.59	-2.34
EUR/GBP	0.863	0.00	-0.98
GBP/USD	1.3289	-0.58	-1.37
GBP/EUR	1.1584	0.00	0.98
USD/JPY	159.5	0.25	1.82
EUR/JPY	182.99	-0.34	-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	3.67	3.68	3.66	3.85	3.84
EUR	2.00	1.94	2.12	2.50	2.66	2.78
GBP	3.75	3.73	3.74	3.90	4.23	4.32

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

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Euro

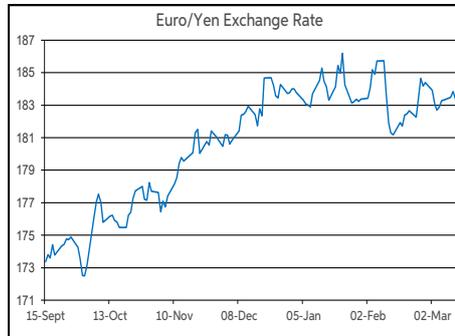
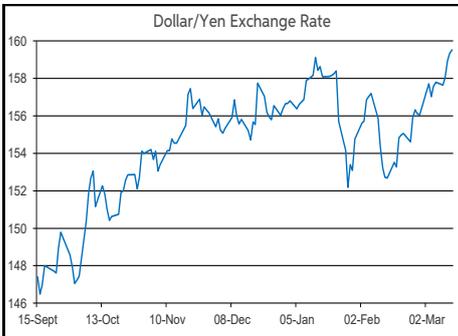
EUR/GBP	0.863
EUR/USD	1.147
EUR/JPY	182.99
EUR/SEK	10.7895
EUR/DKK	7.4717
EUR/NOK	11.1807
EUR/CHF	0.9041
EUR/AUD	1.6316
EUR/HKD	8.9799
EUR/CAD	1.5672

Sterling

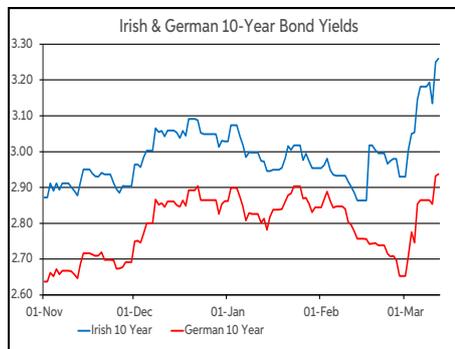
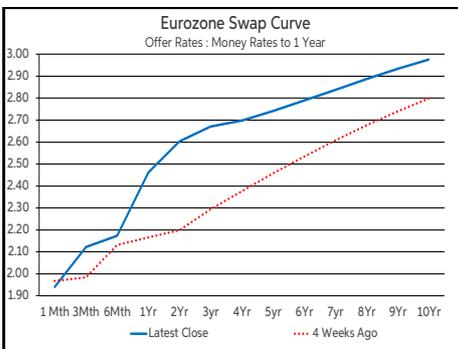
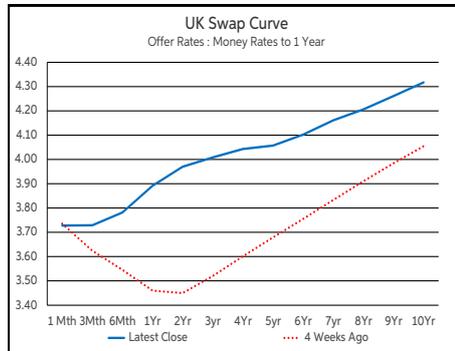
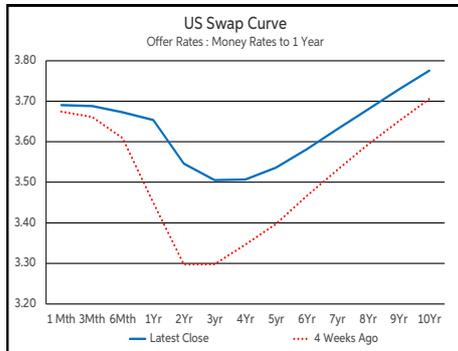
GBP/EUR	1.1584
GBP/USD	1.3289
GBP/CAD	1.8154
GBP/NZD	2.2872
GBP/JPY	211.93
GBP/SEK	12.4972
GBP/DKK	8.6554
GBP/NOK	12.9576
GBP/CHF	1.047
GBP/AUD	1.8897

Dollar

USD/JPY	159.5
USD/CAD	1.3663
USD/CHF	0.788
USD/CNY	6.8925
USD/BRL	5.2454
USD/RUB	80.1
USD/INR	92.46
AUD/USD	0.703
NZD/USD	0.5807



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.27	+7	+17	+12
Germany	2.94	+1	+16	+8
UK	4.78	+9	+32	+30
Ireland				
Ireland	3.26	+1	+37	+23
Belgium	3.42	+5	+24	+7
France	3.61	+5	+24	+5
Italy	3.74	+10	+35	+23
Spain	3.45	+6	+29	+15
Portugal	3.40	+6	+26	+24
Greece	3.72	+9	+33	+24
5 Year Swap %				
US	3.81	+6	+18	+8
Eurozone	2.74	+4	+29	+17
UK	4.31	+9	+40	+42
2 Year Swap %				
US	3.80	+8	+27	+23
Eurozone	2.60	+7	+40	+34
UK	4.22	+11	+53	+49
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	+0	+21	+16
Belgium	48	+5	+8	-1
France	67	+4	+8	-3
Italy	80	+9	+19	+15
Spain	51	+5	+13	+8
Portugal	47	+5	+10	+17
Greece	78	+8	+17	+16



Commodities				
	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	100.46	+9.22	+48.79	+65.09
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	5078.9	-1.87	+3.24	+17.73

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