

Volatile trading conditions across markets

The ongoing war in the Middle East and a slew of central bank policy decisions led to volatile trading conditions yesterday. Amid Iranian reprisals on gas and oil infrastructure across the Gulf, commodity prices surged. This saw Brent crude rise above \$119 per barrel, while European natural gas prices jumped to three year highs, north of €69 per MWh. However, remarks from US Treasury Secretary Bessent, indicating that the US may remove sanctions on Iranian oil, and Isreal PM Netanyahu's pledge to "hold off" on further strikes on Iran's gas fields, meant prices declined after the European close.

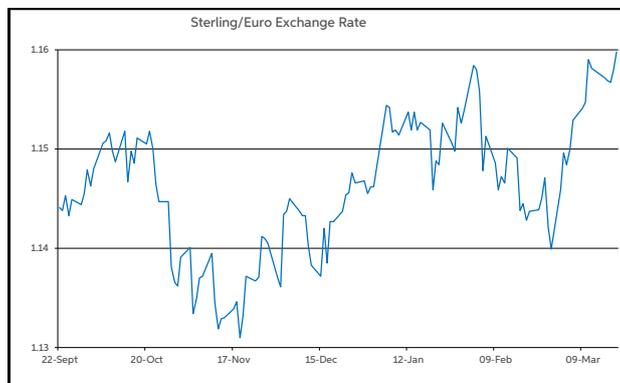
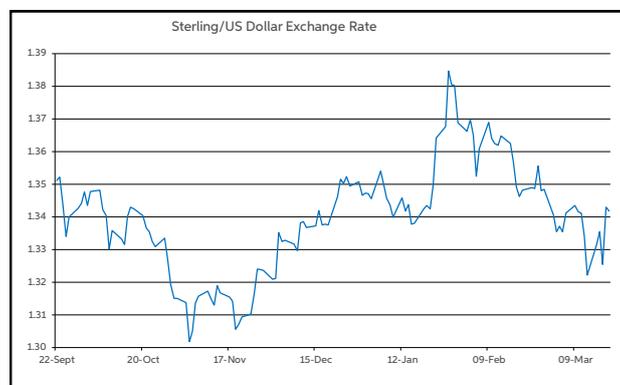
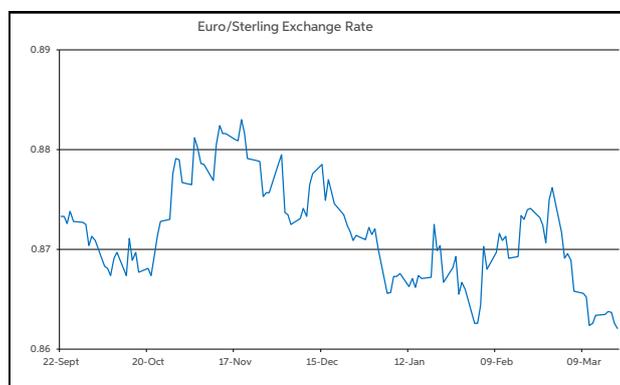
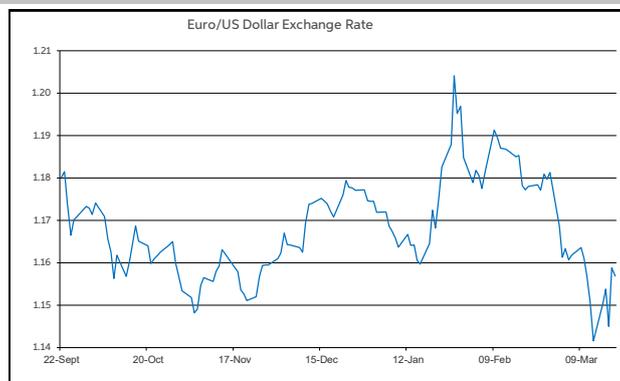
On the monetary policy front, both the ECB and the BoE left rates unchanged, as expected. However, both central banks were key to stress that they will be highly attentive to second round inflation effects caused by a sustained rise in energy prices. The BoE in particular, struck a hawkish tone. Against this backdrop, UK market rate expectations firmed somewhat. Current pricing indicates the market now expects the BoE to hike rates at least twice this year. The market is also pencilling in two rate hikes from the ECB in 2026.

In a similar pattern to the day prior, there was a risk averse tone to investor sentiment, as energy prices rose and rate expectations hardened. The Euro Stoxx 50 shed 2.3%. The S&P 500 recovered some ground late on but ended the day 0.3% lower. Meantime, bond yields increased sharply, with UK Gilt yields climbing by 5-30bps.

Currency-wise, the dollar was initially supported by the risk averse mood. However, as the day progressed, the euro and sterling took the ascendancy. This sees EUR/USD open this morning in the top half of the \$1.15-1.16 range. GBP/USD is operating north of the \$1.34 handle. Elsewhere, EUR/GBP remains in the lower half of 86-87p.

Looking ahead, the focus will remain on the conflict in the Middle East today. The macro data calendar is quite sparse.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1569	0.92	-1.50
EUR/GBP	0.8621	-0.24	-1.08
GBP/USD	1.3418	1.17	-0.41
GBP/EUR	1.1597	0.24	1.09
USD/JPY	158.37	-0.83	1.10
EUR/JPY	183.23	0.05	-0.41

* 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	3.70	3.75	3.93	3.87
EUR	2.00	1.94	2.12	2.63	2.75	2.80
GBP	3.75	3.73	3.83	4.25	4.54	4.46

All rates quoted are indicative market rates

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Opening Levels

Friday 20 March 2026
07:40 am



Euro

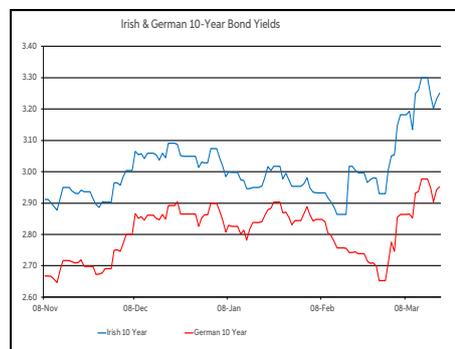
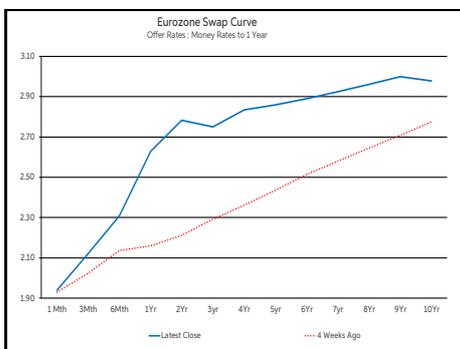
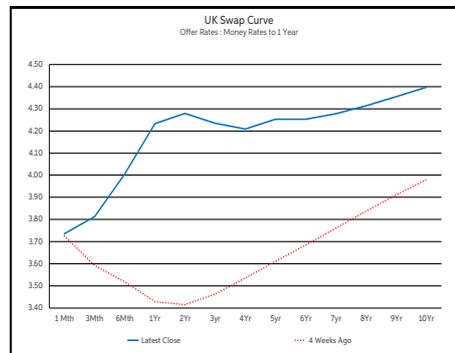
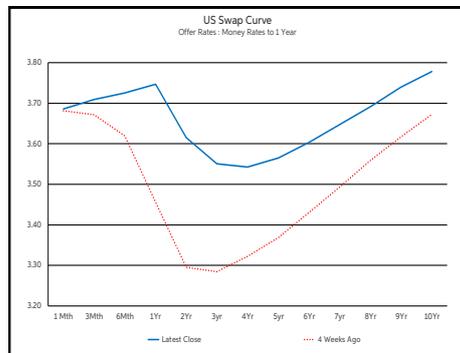
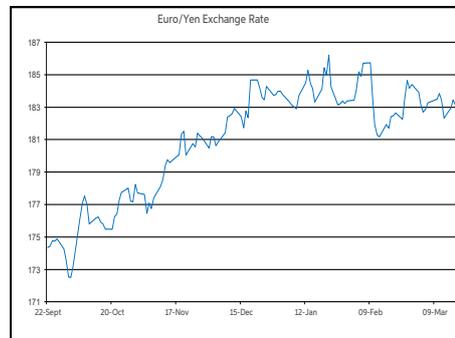
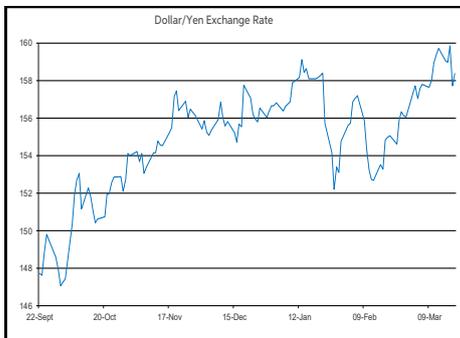
EUR/GBP	0.8621
EUR/USD	1.1569
EUR/JPY	183.23
EUR/SEK	10.7451
EUR/DKK	7.4709
EUR/NOK	10.9775
EUR/CHF	0.9131
EUR/AUD	1.631
EUR/HKD	9.0652
EUR/CAD	1.5875

Sterling

GBP/EUR	1.1597
GBP/USD	1.3418
GBP/CAD	1.8412
GBP/NZD	2.2785
GBP/JPY	212.5
GBP/SEK	12.461
GBP/DKK	8.6608
GBP/NOK	12.7287
GBP/CHF	1.0593
GBP/AUD	1.8913

Dollar

USD/JPY	158.37
USD/CAD	1.3724
USD/CHF	0.7893
USD/CNY	6.8866
USD/BRL	5.2205
USD/RUB	84.65
USD/INR	93.3825
AUD/USD	0.7092
NZD/USD	0.5886



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.28	+3	+21	+13
Germany	2.95	+1	+21	+9
UK	4.85	+10	+48	+37
5 Year Swap %				
US	3.83	+2	+21	+11
Eurozone	2.84	+10	+40	+27
UK	4.49	+24	+65	+59
2 Year Swap %				
US	3.88	+4	+34	+30
Eurozone	2.76	+7	+59	+50
UK	4.60	+40	+97	+87
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	+1	+4	+13
Belgium	49	+2	+10	+1
France	69	+2	+12	-1
Italy	84	+3	+23	+19
Spain	52	+2	+10	+9
Portugal	45	+1	+9	+16
Greece	85	+9	+23	+23

Commodities

	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	112.82	+5.07	+57.44	+85.41
West Texas Oil	96.11	-0.01	+44.18	+67.85
Gold \$	4648.2	-3.52	-7.02	+7.74

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