

Keirfuffle unhelpful to sterling

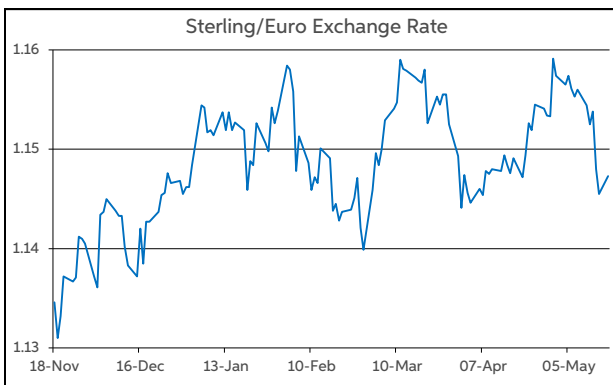
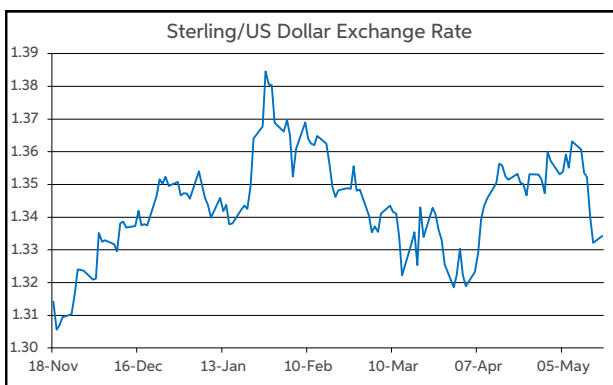
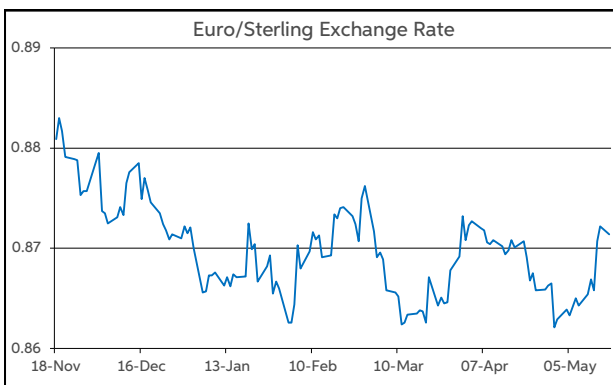
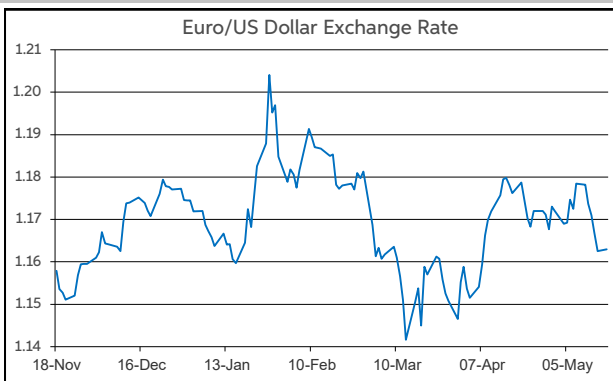
There was a generally cautious tone to investor sentiment last week. Risk appetite weakened amid concerns over the lack of a resolution, or any signs of progress on one, to the Iran war. Against this 'Middle East' backdrop, oil prices came under further upward pressure. Brent Crude rose back up to \$109-110 per barrel from being at \$100-101 p/bbl at the start of the week. Meanwhile, on equity markets, the Euro Stoxx 50 index was 1.4% lower on the week. On Wall Street, despite the 'Iran war' risk, some continued momentum/optimism in the AI/tech related sector helped the S&P 500 index to close on Friday broadly similar to where it had commenced the week.

On the currency front, there were two features to the interaction between the majors last week. The first was dollar strength. The greenback continued its recent trend of being positively correlated to oil prices. A firming in US rate expectations, amid higher inflation numbers for April, was also supportive of the currency. The second feature of the forex action was a softer tone to sterling. Increased political uncertainty on the position of Prime Minister Keir Starmer and the resulting concerns over the outlook for the country's fiscal policy (evident in higher Gilt yields) weighed on the pound.

In level terms, all of the above was evident in EUR/USD falling back below the \$1.17 threshold, trading to a low near to \$1.16. The combination of a firmer dollar and weaker sterling saw GBP/USD drop from \$1.36 down towards the \$1.33 mark over the course of the week. Meanwhile, EUR/GBP regained the 87p handle amid sterling's softer posture.

Looking ahead to this week, investors will be looking to see if there is any renewed efforts on resolving the Middle East conflict after last week's Trump-XI summit. From a data perspective, the flash PMIs for May, from the main advanced economies, will be assessed for the impact the war is having on activity and inflation indicators.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.163	-0.15	-0.98
EUR/GBP	0.8714	0.00	-0.01
GBP/USD	1.3343	-0.13	-0.96
GBP/EUR	1.1471	0.00	0.01
USD/JPY	158.88	0.24	1.42
EUR/JPY	184.78	0.08	0.43

* v Previous Day's European Open
See Next Page for More Rates

Opening Interest Rates						
	Money Market			Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	3.63	3.60	3.64	3.83	4.23	4.27
EUR	2.00	1.95	2.23	2.82	2.95	3.03
GBP	3.75	3.72	3.82	4.29	4.66	4.71

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

Monday 18 May 2026
07:29 am



Euro

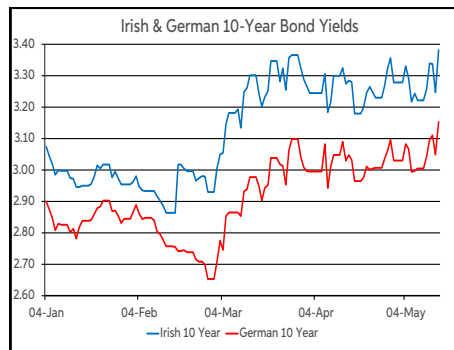
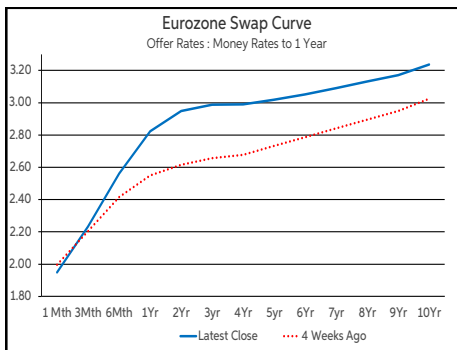
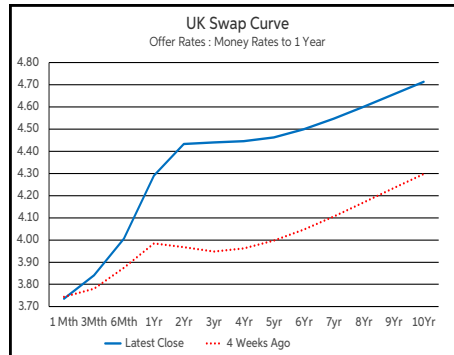
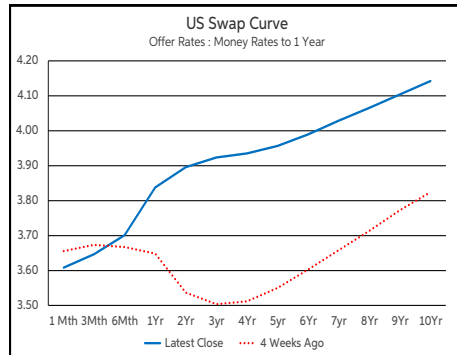
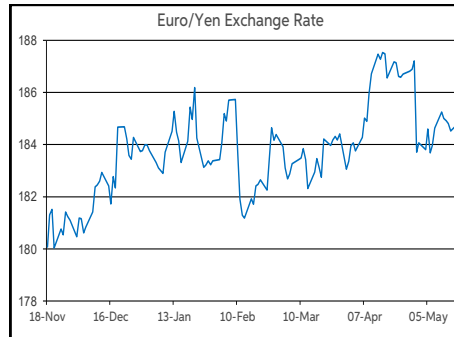
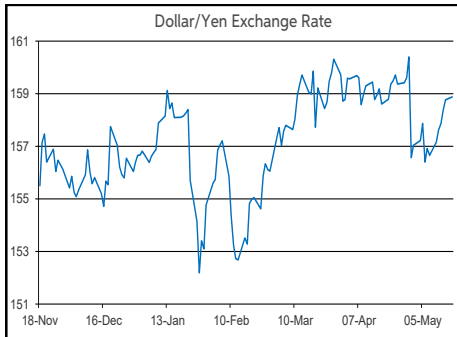
EUR/GBP	0.8714
EUR/USD	1.163
EUR/JPY	184.78
EUR/SEK	10.9739
EUR/DKK	7.4736
EUR/NOK	10.8177
EUR/CHF	0.9142
EUR/AUD	1.6291
EUR/HKD	9.1056
EUR/CAD	1.5988

Sterling

GBP/EUR	1.1471
GBP/USD	1.3343
GBP/CAD	1.834
GBP/NZD	2.2826
GBP/JPY	211.99
GBP/SEK	12.5906
GBP/DKK	8.5721
GBP/NOK	12.4103
GBP/CHF	1.0488
GBP/AUD	1.8687

Dollar

USD/JPY	158.88
USD/CAD	1.3746
USD/CHF	0.7861
USD/CNY	6.8076
USD/BRL	5.0552
USD/RUB	72.6455
USD/INR	96.315
AUD/USD	0.7138
NZD/USD	0.5843



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.60	+14	+35	+44
Germany	3.15	+11	+19	+29
UK	5.18	+18	+42	+71
5 Year Swap %				
US	4.22	+9	+40	+49
Eurozone	2.99	+11	+27	+43
UK	4.70	+13	+47	+80
2 Year Swap %				
US	4.16	+4	+35	+59
Eurozone	2.92	+4	+33	+66
UK	4.66	+10	+47	+93
10 Year Government Bond Spreads to Benchmark bps				
Ireland	23	+3	+1	+6
Belgium	58	+4	+16	+10
France	81	+4	+20	+11
Italy	80	+7	+9	+15
Spain	46	+4	+3	+3
Portugal	40	+3	+2	+10
Greece	71	+2	-1	+9

Commodities				
	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	109.26	+3.35	+20.89	+79.56
West Texas Oil	108.99	+4.14	+26.87	+90.34
Gold \$	4538.0	-2.40	-6.01	+5.19

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