

Dollar's evolution of strength during H1'26

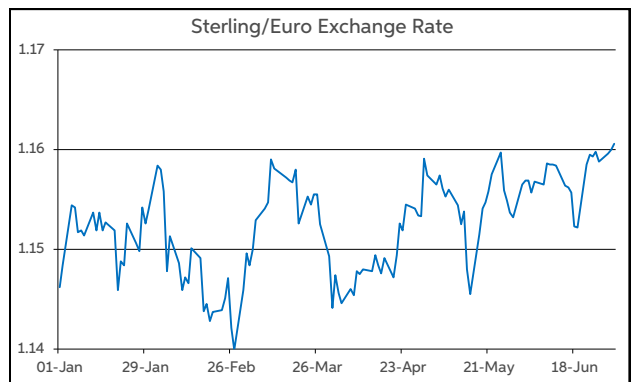
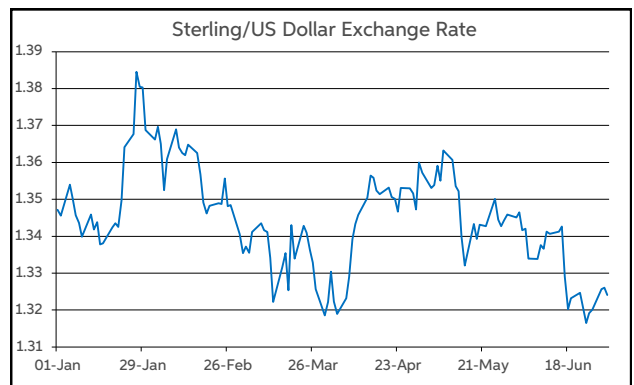
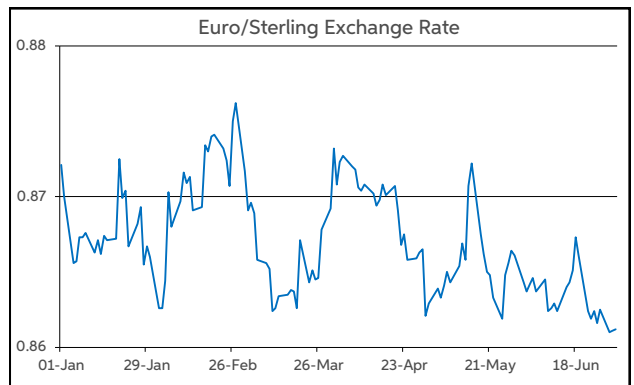
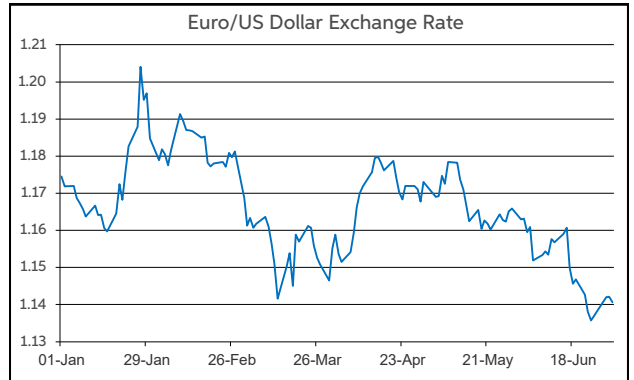
With the halfway point of the year being crossed as June comes to a close, looking back over the first six months, the main equity indices posted strong returns. Risk appetite continued to be supported by the tech/AI sector, as well as market participants taking an optimistic view on how the Middle East conflict would evolve. Both the Euro Stoxx 50 and S&P 500 registered gains of between 9-10% YTD.

From a currency perspective, one of the standout features over H1'2026 was dollar strength. The greenback benefitted from having a positive correlation to rising oil prices as the Middle East conflict escalated. More recently, despite an easing in oil prices amid a de-escalation in US-Iran tensions, the dollar has continued to make further gains against the other majors. It has been supported by a firming in US rate expectations following the June Fed meeting.

All of the above is reflected in EUR/USD starting July hovering around \$1.14, having traded to a YTD low of \$1.132 in late June and compared to a test of the \$1.20 mark in late January. Sterling has also lost ground to the dollar, with the pair opening H2 within the \$1.32-1.33, band versus a peak of \$1.38-1.39 in early 2026. The most notable mover though has been the USD/JPY pair. A combination of dollar strength and yen weakness saw intervention by the Japanese authorities in late April after the pair rose above ¥160. This proved ineffective and the pair ended June up in ¥162 territory, a level not seen since 1986. Elsewhere, the action in EUR/GBP has been less eventful, confined to a 86-88p trading corridor, YTD, although it has been lingering at the lower end of this range in recent days.

Ahead today, July/H2 gets underway with the main data highlight being the flash reading of Eurozone HICP inflation (June). Meanwhile, a panel discussion at the ECB central bank forum featuring President Lagarde, Fed Chair Warsh and BoE Governor Bailey will warrant attention and may generate some headlines.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1406	0.15	-2.89
EUR/GBP	0.8612	0.05	-1.18
GBP/USD	1.3241	0.09	-1.72
GBP/EUR	1.1608	-0.05	1.20
USD/JPY	162.7	0.31	3.86
EUR/JPY	185.62	0.48	0.89

* 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	3.66	3.75	4.03	4.30	4.20
EUR	2.25	2.22	2.32	2.69	2.72	2.76
GBP	3.75	3.73	3.76	3.97	4.26	4.31

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

Wednesday 01 July 2026
07:02 am



Euro

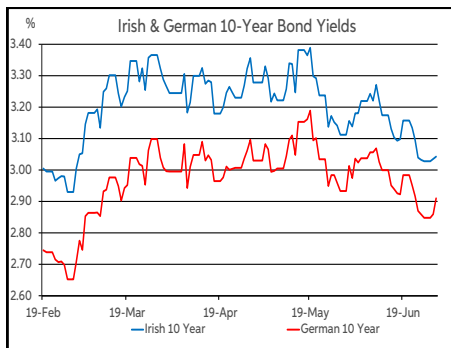
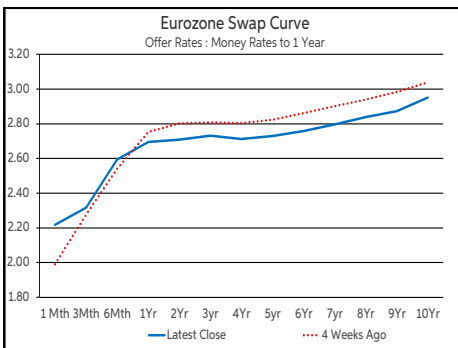
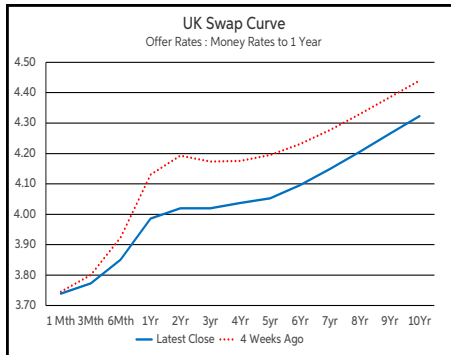
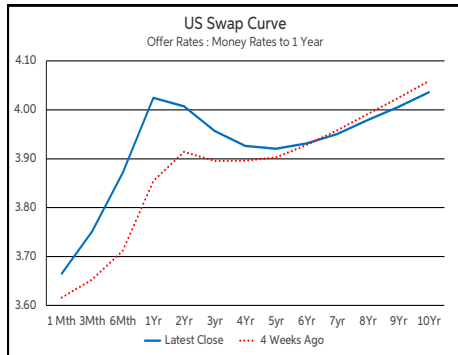
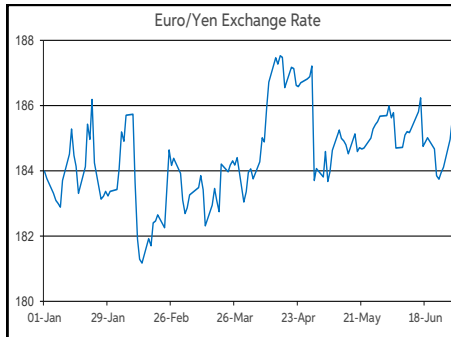
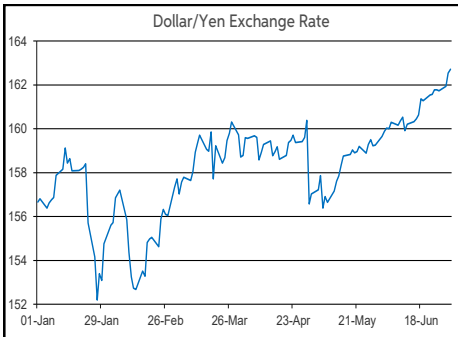
EUR/GBP	0.8612
EUR/USD	1.1406
EUR/JPY	185.62
EUR/SEK	11.0908
EUR/DKK	7.4745
EUR/NOK	11.3274
EUR/CHF	0.9228
EUR/AUD	1.6543
EUR/HKD	8.9468
EUR/CAD	1.6211

Sterling

GBP/EUR	1.1608
GBP/USD	1.3241
GBP/CAD	1.8814
GBP/NZD	2.3327
GBP/JPY	215.46
GBP/SEK	12.8711
GBP/DKK	8.6743
GBP/NOK	13.1358
GBP/CHF	1.0712
GBP/AUD	1.9204

Dollar

USD/JPY	162.7
USD/CAD	1.421
USD/CHF	0.8091
USD/CNY	6.7926
USD/BRL	5.1598
USD/RUB	79.35
USD/INR	94.72
AUD/USD	0.6893
NZD/USD	0.5673



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.42	+5	-3	+27
Germany	2.91	+5	-6	+5
UK	4.76	+4	-10	+29
5 Year Swap %				
US	4.20	+8	+4	+47
Eurozone	2.73	-2	-9	+16
UK	4.30	+2	-14	+40
2 Year Swap %				
US	4.28	+7	+13	+71
Eurozone	2.71	-2	-9	+45
UK	4.25	+1	-19	+52
10 Year Government Bond Spreads to Benchmark bps				
Ireland	13	-4	-3	-3
Belgium	53	-5	-0	+4
France	74	-4	+13	+4
Italy	69	-5	-3	+4
Spain	44	-5	+2	+1
Portugal	34	-6	-4	+5
Greece	62	-5	-4	+0

Commodities				
	% Change			
	Close	Day	4 Weeks	End 25
Brent Oil	72.92	-0.31	-24.04	+19.84
West Texas Oil	70.56	-1.82	-27.61	+23.23
Gold \$	4007.2	-0.22	-10.64	-7.11

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