

Eurozone flash HICP inflation due today

There was a cautious mood on markets at the start of the week. Reports that talks between the US and Iran had broken down saw oil prices unwind most of the decline registered last week. However, remarks overnight from US President Trump indicate that talks are continuing. Oil prices are currently near \$95 per barrel, having traded from a low of \$92 to a high of \$98 per barrel yesterday.

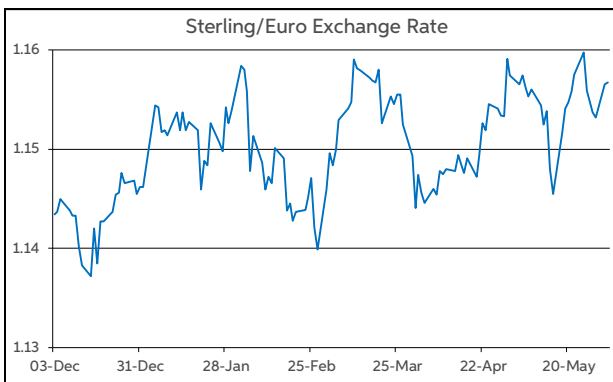
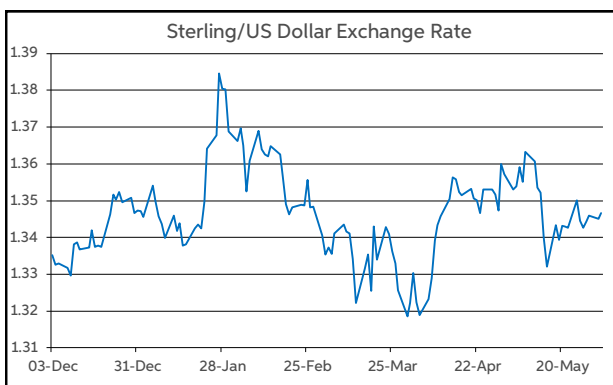
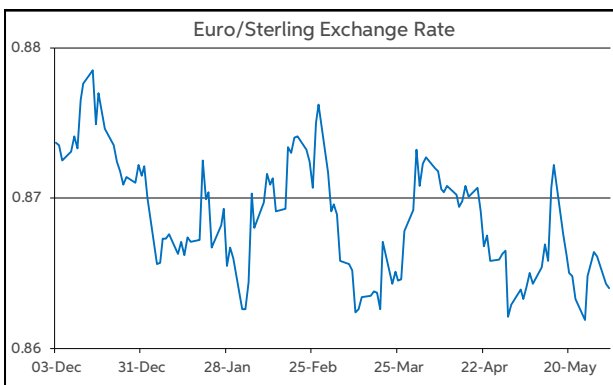
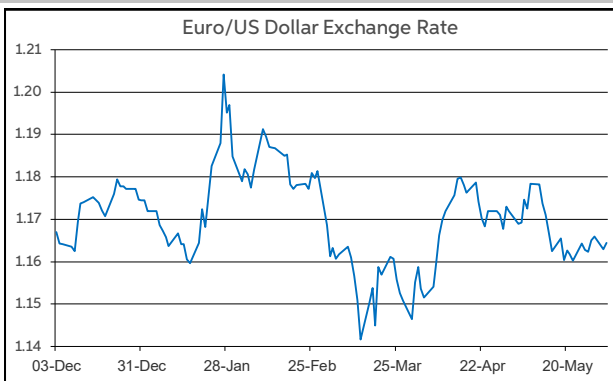
Meantime on the data front, the macro calendar was relatively quiet. The main release of note was the US manufacturing ISM for May. The headline index rose to 54.0 (vs. 53.0 f'cast), indicating a solid pace of expansion in the sector, despite price pressures remaining elevated. In the Eurozone, the unemployment rate was revised slightly higher to 6.3% in March, and it remained at that level in April.

Against that backdrop, the Euro Stoxx 50 fell by a modest 0.3% yesterday. In contrast, the S&P 500 edged 0.3% higher, albeit the move was concentrated amongst tech-stocks and energy companies. Elsewhere, UK Gilt and German Bund yields moved 8-10bps higher yesterday. US Treasury yields were little changed.

On the currency front, changes in the oil price largely set the tone for the dollar once again. As Brent crude prices rose, the dollar generally strengthened. This saw EUR/USD move down to a low just above \$1.16, while GBP/USD fell back near \$1.34. However, the greenback handed back most of its gains overnight. As trading gets underway today, EUR/USD is close to the midpoint of \$1.16-1.17. GBP/USD is in the top half of \$1.34-1.35. meantime, EUR/GBP is near the halfway mark of the 86-87p range.

Turning to the day ahead, the main release of note will be the flash reading of Eurozone HICP inflation for May. The consensus is for the headline rate to rise to 3.2% from 3.0%. Investors will also be keeping a close eye on developments in the Middle East.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1641	-0.06	-0.89
EUR/GBP	0.8642	-0.15	-0.84
GBP/USD	1.3467	0.09	-0.04
GBP/EUR	1.1567	0.15	0.84
USD/JPY	159.71	0.16	1.95
EUR/JPY	185.95	0.11	1.07

* 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	4.16	4.15
EUR	2.00	1.98	2.27	2.72	2.78	2.81
GBP	3.75	3.73	3.78	4.12	4.44	4.47

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

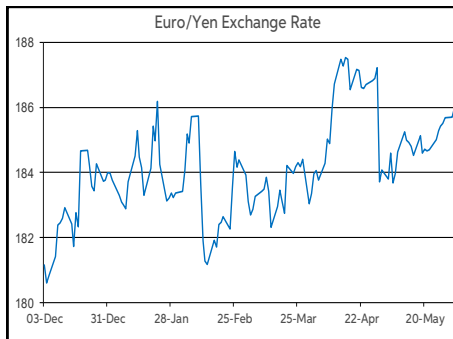
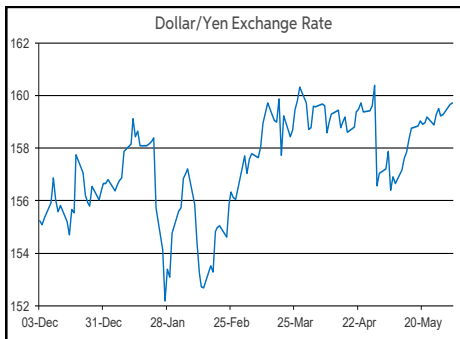
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

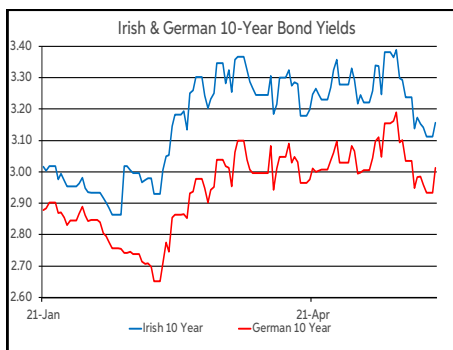
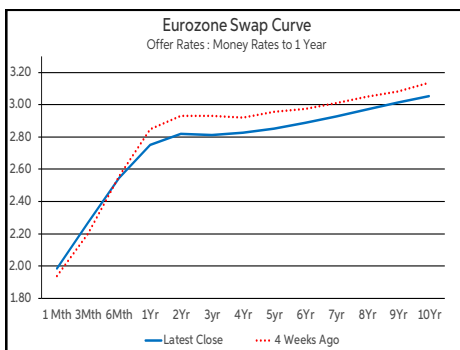
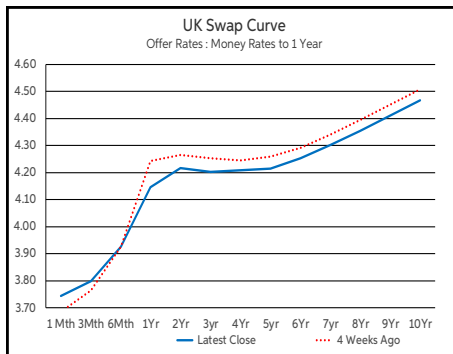
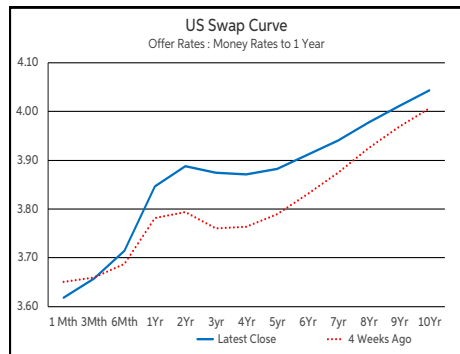
Tuesday 02 June 2026
07:12 am



Euro		Sterling		Dollar	
EUR/GBP	0.8642	GBP/EUR	1.1567	USD/JPY	159.71
EUR/USD	1.1641	GBP/USD	1.3467	USD/CAD	1.3842
EUR/JPY	185.95	GBP/CAD	1.8641	USD/CHF	0.7857
EUR/SEK	10.8146	GBP/NZD	2.2678	USD/CNY	6.7616
EUR/DKK	7.4732	GBP/JPY	215.08	USD/BRL	5.0275
EUR/NOK	10.7951	GBP/SEK	12.5113	USD/RUB	72.2
EUR/CHF	0.9146	GBP/DKK	8.6458	USD/INR	95.17
EUR/AUD	1.6242	GBP/NOK	12.4736	AUD/USD	0.7166
EUR/HKD	9.1239	GBP/CHF	1.0584	NZD/USD	0.5936
EUR/CAD	1.6113	GBP/AUD	1.8787		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.48	+2	+3	+32
Germany	3.01	+8	-7	+15
UK	4.90	+9	-7	+43
Ireland	3.16	+4	-17	+13
Belgium	3.54	+7	-3	+20
France	3.63	+7	-13	+7
Italy	3.75	+8	-18	+24
Spain	3.43	+7	-13	+13
Portugal	3.39	+8	-11	+23
Greece	3.69	+7	-15	+21
5 Year Swap %				
US	4.16	+2	+10	+43
Eurozone	2.85	+10	-9	+29
UK	4.46	+11	-1	+56
2 Year Swap %				
US	4.16	+3	+12	+58
Eurozone	2.81	+10	-11	+56
UK	4.44	+13	-6	+71
10 Year Government Bond Spreads to Benchmark bps				
Ireland	14	-4	-10	-2
Belgium	53	-1	+4	+5
France	61	-1	-6	-8
Italy	74	+0	-11	+9
Spain	41	-1	-6	-2
Portugal	38	-0	-4	+8
Greece	67	-1	-8	+6



Commodities				
	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	94.98	+3.18	-17.00	+56.09
West Texas Oil	95.96	+5.27	-12.57	+67.59
Gold \$	4483.3	-1.16	-0.82	+3.92

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