

ECB expected to hike rates today

There was a risk averse tone to investor sentiment yesterday, as the war in the Middle East intensified. Against this backdrop, oil prices moved higher with Brent crude rising by over 2% to circa \$93 per barrel. On equity markets, the Euro Stoxx 50 fell by 0.7%, while on Wall Street, the S&P 500 declined by 1.6%.

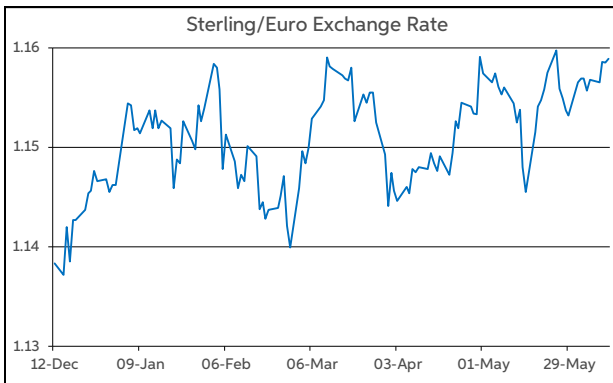
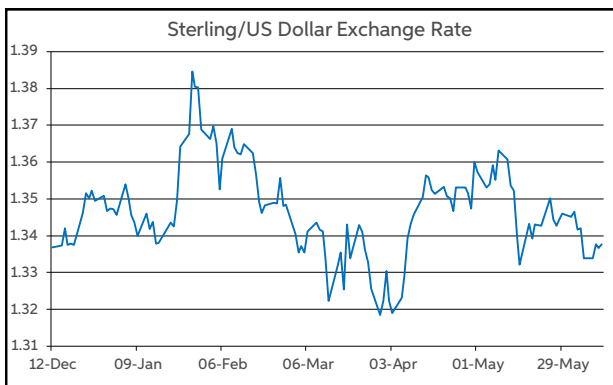
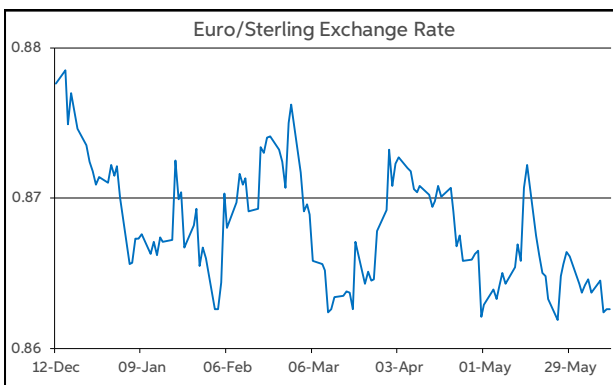
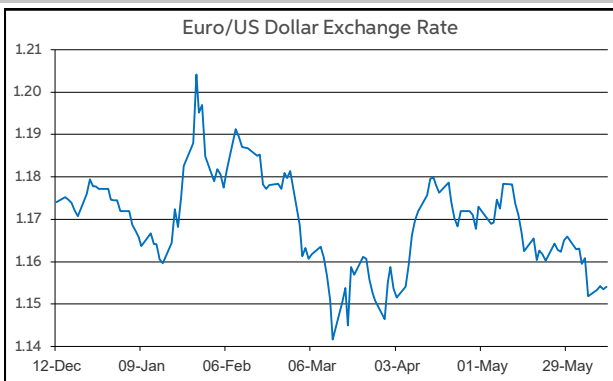
On the data front, US CPI inflation printed in line with the consensus. The headline rate accelerated to 4.2% in May from 3.8%, and the core rate inched higher to 2.9% from 2.8%. The increase in the headline rate was almost entirely driven by a further rise in gasoline prices and more expensive airfares. However, the release had a negligible impact on financial markets yesterday.

Currency-wise, the main pairs have continued to change hands within very narrow trading ranges over the past 24 hours. This is evidenced by EUR/USD opening this morning at the midpoint of \$1.15-1.16 band once again. Meanwhile, GBP/USD remains in the top half of the \$1.33-1.34 corridor. EUR/GBP is operating in the bottom half of the 86-87p range. USD/JPY is at the halfway mark of ¥160-161.

Turning to the day ahead, the main focus will be on the ECB policy decision. The Governing Council is widely expected to hike rates by 25bps. This would bring the deposit rate up to 2.25%. Aside from the decision, the focus will be on the post-meeting press conference and the updated macroeconomic projections. Market participants will be looking for any guidance on the future path of policy.

The data calendar is quite sparse on both sides of the Atlantic today. US PPI inflation (May) and the latest weekly initial jobless claims figures will garner some attention. Elsewhere, investors will be keeping a close eye on developments in the Middle East, amid the recent escalation in the conflict.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2025 |
| EUR/USD | 1.1541 | -0.03 | -1.74 |
| EUR/GBP | 0.8626 | -0.02 | -1.02 |
| GBP/USD | 1.3376 | -0.03 | -0.72 |
| GBP/EUR | 1.1588 | 0.02 | 1.03 |
| USD/JPY | 160.55 | 0.11 | 2.49 |
| EUR/JPY | 185.3 | 0.08 | 0.71 |

* 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 | 3.66 | 3.91 | 4.27 | 4.26 |
| EUR | 2.00 | 2.06 | 2.37 | 2.80 | 2.91 | 2.95 |
| GBP | 3.75 | 3.74 | 3.80 | 4.17 | 4.50 | 4.53 |

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 |
|---------|----------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|

Opening Levels

Thursday 11 June 2026
07:50 am



Euro

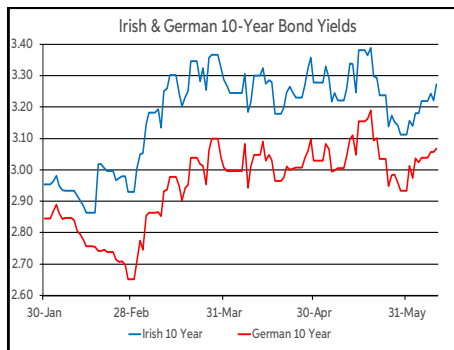
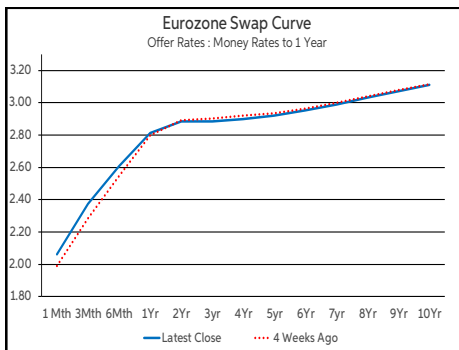
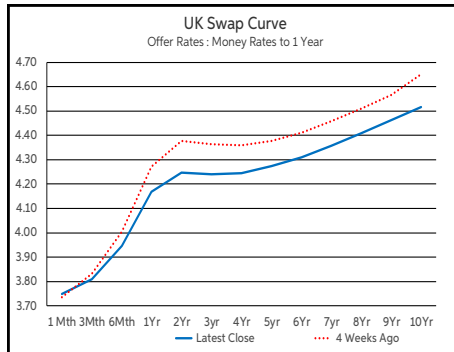
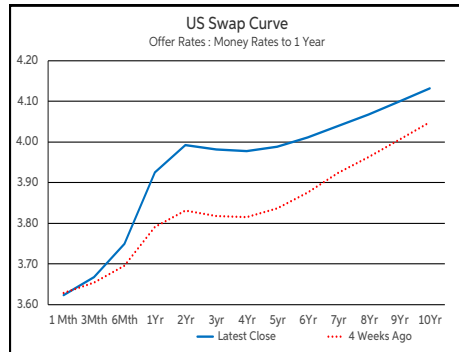
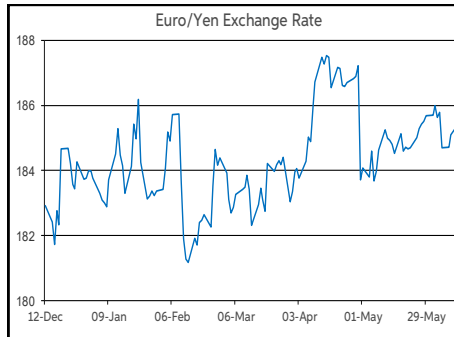
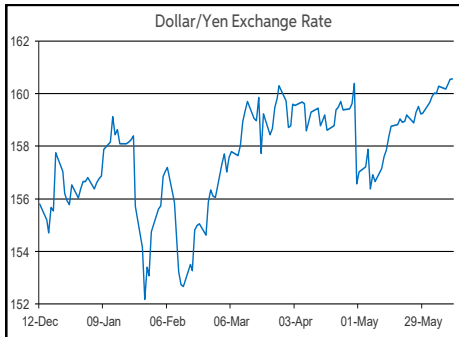
| | |
|---------|---------|
| EUR/GBP | 0.8626 |
| EUR/USD | 1.1541 |
| EUR/JPY | 185.3 |
| EUR/SEK | 10.9721 |
| EUR/DKK | 7.4741 |
| EUR/NOK | 10.9411 |
| EUR/CHF | 0.9218 |
| EUR/AUD | 1.648 |
| EUR/HKD | 9.0442 |
| EUR/CAD | 1.6103 |

Sterling

| | |
|---------|---------|
| GBP/EUR | 1.1588 |
| GBP/USD | 1.3376 |
| GBP/CAD | 1.8661 |
| GBP/NZD | 2.3092 |
| GBP/JPY | 214.75 |
| GBP/SEK | 12.7163 |
| GBP/DKK | 8.661 |
| GBP/NOK | 12.6799 |
| GBP/CHF | 1.0684 |
| GBP/AUD | 1.9096 |

Dollar

| | |
|---------|---------|
| USD/JPY | 160.55 |
| USD/CAD | 1.3953 |
| USD/CHF | 0.7987 |
| USD/CNY | 6.7762 |
| USD/BRL | 5.183 |
| USD/RUB | 72.2 |
| USD/INR | 95.7175 |
| AUD/USD | 0.7 |
| NZD/USD | 0.5789 |



| Debt Markets | | | | |
|---|-------|------------|---------|--------|
| | Close | Change bps | | |
| | | Day | 4 Weeks | End 25 |
| 10 Year Yield % | | | | |
| US | 4.54 | +1 | +6 | +39 |
| Germany | 3.07 | +1 | -4 | +21 |
| UK | 4.94 | +3 | -14 | +47 |
| 5 Year Swap % | | | | |
| US | 4.26 | +3 | +16 | +53 |
| Eurozone | 2.92 | +2 | -0 | +35 |
| UK | 4.52 | +5 | -7 | +63 |
| 2 Year Swap % | | | | |
| US | 4.26 | +2 | +19 | +69 |
| Eurozone | 2.88 | +3 | -1 | +62 |
| UK | 4.48 | +1 | -10 | +75 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 20 | +4 | -2 | +4 |
| Belgium | 56 | +1 | +1 | +7 |
| France | 66 | +1 | +4 | -4 |
| Italy | 78 | +2 | +3 | +13 |
| Spain | 45 | +1 | +3 | +2 |
| Portugal | 39 | -1 | +2 | +9 |
| Greece | 71 | +3 | +1 | +10 |

| Commodities | | | | |
|----------------|----------|-------|---------|--------|
| | % Change | | | |
| | Close | Day | 4 Weeks | End 25 |
| Brent Oil | 93.1 | +1.80 | -11.86 | +53.00 |
| West Texas Oil | 93.68 | +1.94 | -10.37 | +63.60 |
| Gold \$ | 4073.5 | -4.44 | -13.10 | -5.58 |

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.