

Spotlight on the Fed, BoE & BoJ this week

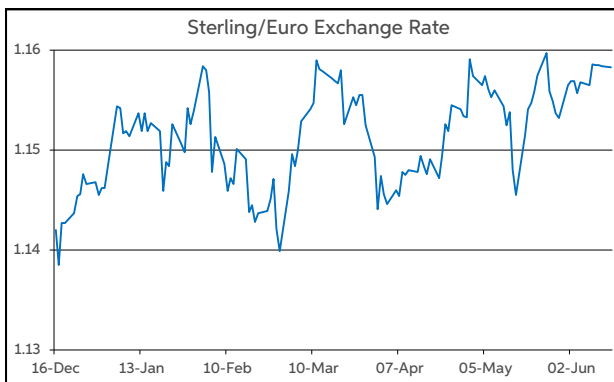
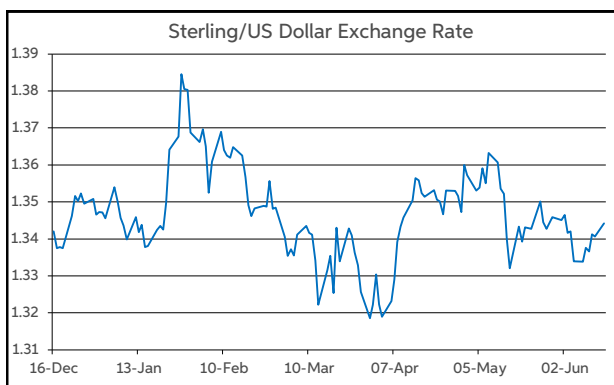
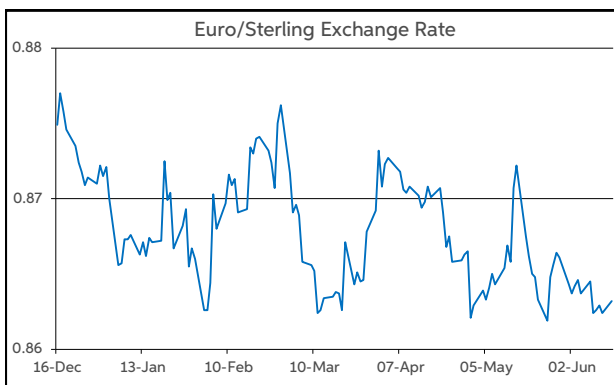
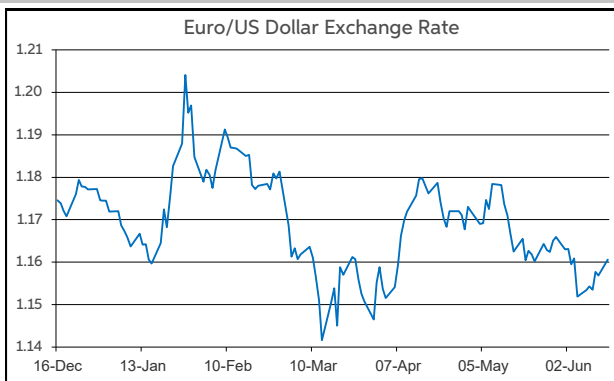
Throughout last week, changes in monetary policy, some key data release, and news flow regarding the war in the Middle East impacted financial markets. As expected, the ECB hiked rates by 25bps last Thursday. Furthermore, the overarching tone of the meeting indicated that the ECB may hike rates again this year. Meantime, US CPI inflation jumped to 4.2% in May, in line with the consensus. In terms of the Middle East, the re-escalation of military action juxtaposed with claims that a peace deal was drawing close, created some volatility on oil markets.

Against that backdrop, Brent crude oil prices traded between \$87-98 per barrel last week. Furthermore, amid reports that a 60-day peace framework has been reached, Brent crude has fallen by a further 5%, to circa \$83 per barrel this morning. Elsewhere on markets, interest rate futures contracts softened slightly across the board last week. However, the market is still pricing in at least one rate hike in the Eurozone and the UK between now and year end. On equity markets, amid the softening in rates and the fall in oil prices, the Euro Stoxx 50 gained 2.1% on the week. The S&P 500 rose by 0.6%.

Currency-wise, the main pairs continued to change hands within very narrow trading ranges. Of the limited moves to note, the dollar has weakened slightly. This sees EUR/USD open this morning just above the \$1.16 threshold. GBP/USD is up near the midpoint of the \$1.34-1.35 band. EUR/GBP remains in the lower half of 86-87p.

Looking ahead, a busy week of central bank meetings includes policy decisions from the Fed, BoE and the BoJ. Both the Fed and the BoE are expected to leave rates unchanged. It is widely anticipated that the BoJ will hike rates though. Meantime on the data front, a slew key updates on the UK economy, including CPI inflation and labour market metrics, are due. Markets will also be highly sensitive to news flow regarding the peace deal between the US & Iran.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1607	0.32	-1.17
EUR/GBP	0.8632	0.07	-0.95
GBP/USD	1.3442	0.25	-0.23
GBP/EUR	1.158	-0.07	0.96
USD/JPY	160.11	-0.08	2.21
EUR/JPY	185.85	0.22	1.01

* 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	3.62	3.66	3.84	4.17	4.16
EUR	2.25	2.09	2.40	2.78	2.77	2.81
GBP	3.75	3.73	3.79	4.09	4.39	4.43

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

Monday 15 June 2026
07:25 am



Euro

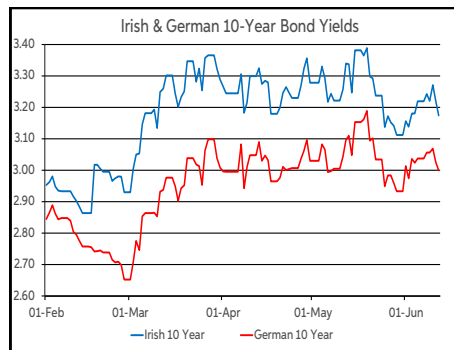
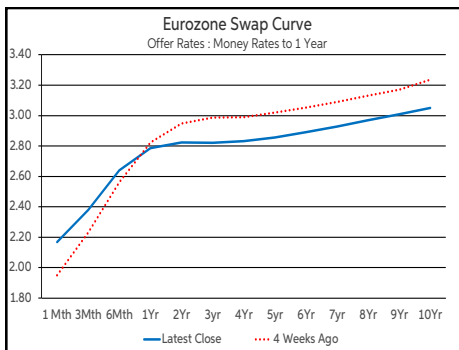
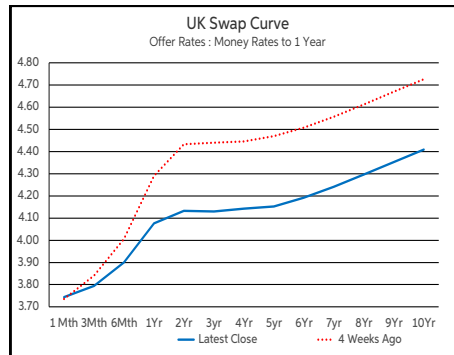
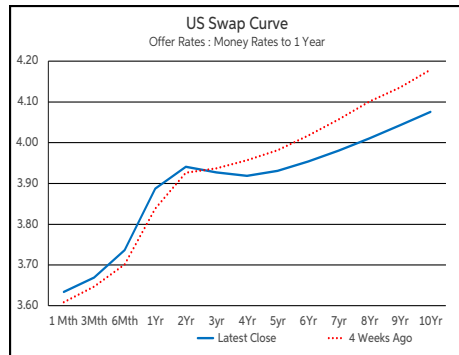
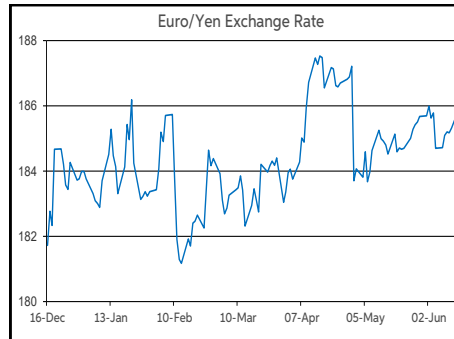
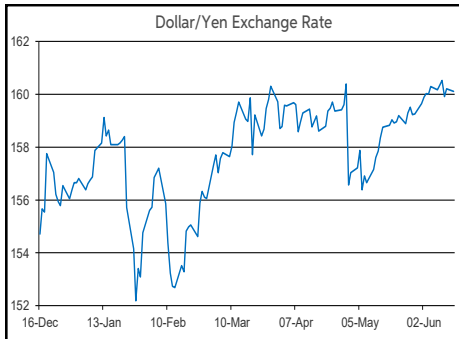
EUR/GBP	0.8632
EUR/USD	1.1607
EUR/JPY	185.85
EUR/SEK	10.8768
EUR/DKK	7.4738
EUR/NOK	11.011
EUR/CHF	0.9213
EUR/AUD	1.6406
EUR/HKD	9.095
EUR/CAD	1.6214

Sterling

GBP/EUR	1.158
GBP/USD	1.3442
GBP/CAD	1.8778
GBP/NZD	2.2974
GBP/JPY	215.22
GBP/SEK	12.6006
GBP/DKK	8.6576
GBP/NOK	12.7546
GBP/CHF	1.0673
GBP/AUD	1.8999

Dollar

USD/JPY	160.11
USD/CAD	1.397
USD/CHF	0.7938
USD/CNY	6.7578
USD/BRL	5.1003
USD/RUB	72.55
USD/INR	94.715
AUD/USD	0.7073
NZD/USD	0.5849



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.47	-8	-13	+31
Germany	3.03	-4	-13	+16
UK	4.91	-3	-9	+44
5 Year Swap %				
US	4.20	-6	-4	+47
Eurozone	2.84	-8	-17	+28
UK	4.40	-13	-30	+50
2 Year Swap %				
US	4.18	-8	+1	+61
Eurozone	2.79	-9	-15	+53
UK	4.35	-13	-32	+62
10 Year Government Bond Spreads to Benchmark bps				
Ireland	20	-1	+10	+3
Belgium	56	+1	+13	+8
France	66	+0	+0	-3
Italy	78	+0	+15	+13
Spain	45	+0	+14	+2
Portugal	40	+1	-0	+10
Greece	71	-1	+0	+9

Commodities				
	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	90.38	-2.92	-17.28	+48.53
West Texas Oil	91.58	-2.24	-12.50	+59.94
Gold \$	4213.8	+3.45	-7.14	-2.32

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.