

Monetary policy spotlight turns to the BoE

Trading conditions remained quite calm throughout the European session yesterday, as investor's kept their powder dry ahead of the Fed policy announcement. At the same time, a limited data calendar likely contributed to the muted price action. Against this backdrop, Brent crude oil prices were steady, remaining near \$79 per barrel.

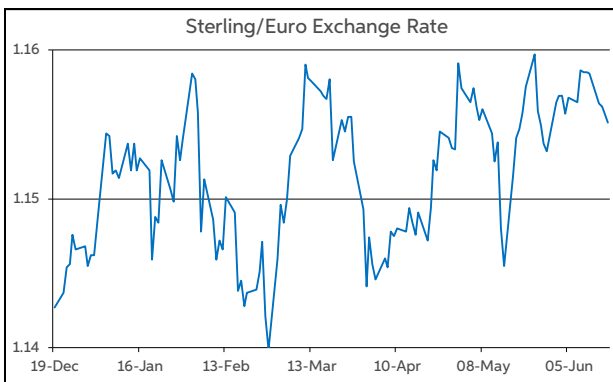
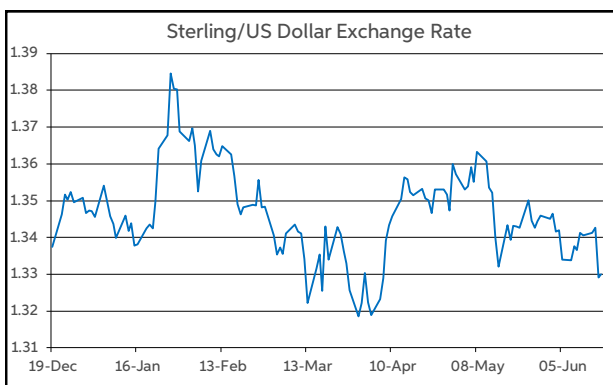
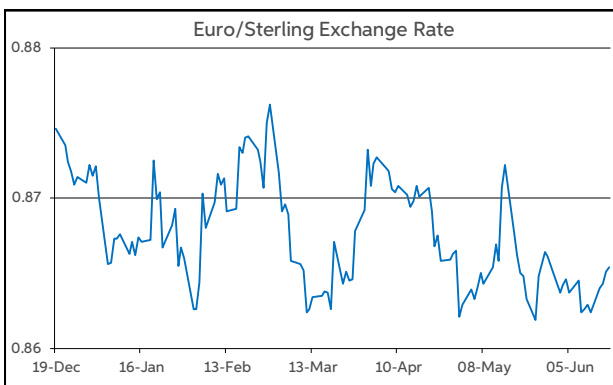
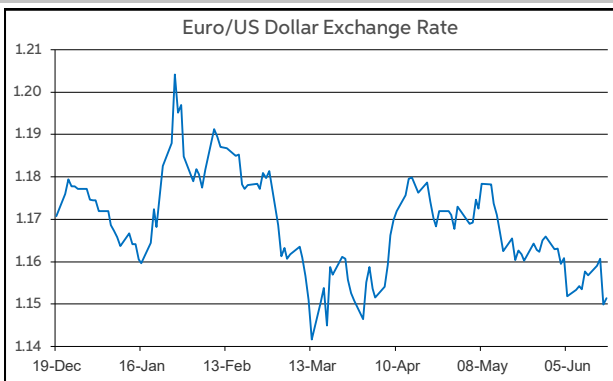
At the aforementioned Fed meeting, policy was left unchanged, as expected. Meanwhile, the FOMC meeting statement was short and lacked any forward guidance - a policy new Chair Warsh has criticised in the past. Warsh's disregard for forward guidance was also evident in the updated Summary of Economic Projections (SEP), where he opted not to submit forecasts. Nevertheless, the updated SEP was somewhat hawkish. In total, nine FOMC members are now of the view that the Fed should hike rates this year. Previously, the medium projection had been for a rate cut.

US interest rate futures hardened in the aftermath of the Fed meeting. Markets now see an 80% chance of a Fed rate hike in September. In total circa 35bps of policy tightening is priced in for between now and year end. Elsewhere, US Treasury yields rose by 5-10bps yesterday, led higher by the front end of the curve.

Currency-wise, the dollar firmed markedly, supported by the firming in US rates. The greenback gained around 1% against the euro and sterling. In level terms, this sees EUR/USD open today back near the \$1.15 threshold. GBP/USD is operating at the \$1.33 mark. EUR/GBP remains at the midpoint of the 86-87p band.

Already this morning, Uk labour market data have been released. The unemployment declined to 4.9% (vs. 5% f'cast), while wage inflation accelerated unexpectedly. Late rtoday, the focus will be on the BoE policy decision. The BoE is widely expected to leave rates on hold. However, the MPC voting split will warrant attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1513	-0.85	-1.98
EUR/GBP	0.8654	0.12	-0.70
GBP/USD	1.33	-0.98	-1.28
GBP/EUR	1.1551	-0.12	0.70
USD/JPY	160.59	0.21	2.52
EUR/JPY	184.89	-0.66	0.49

* 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	3.64	3.72	4.01	4.29	4.21
EUR	2.25	2.21	2.41	2.75	2.80	2.81
GBP	3.75	3.72	3.78	4.05	4.32	4.33

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

Thursday 18 June 2026
08:07 am



Euro

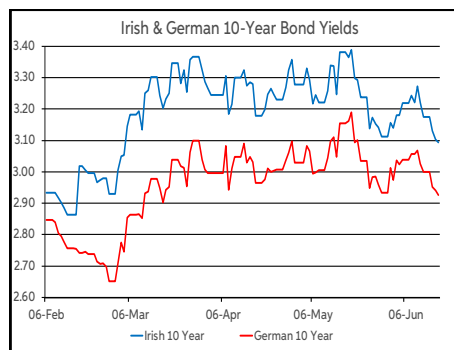
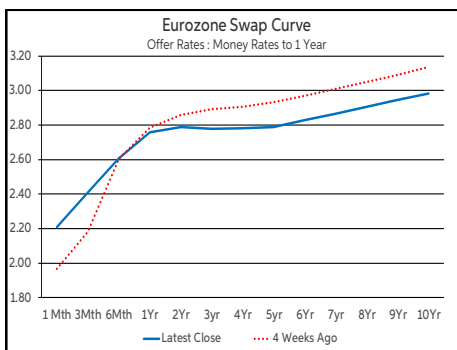
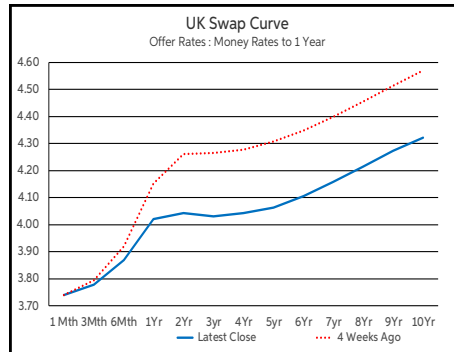
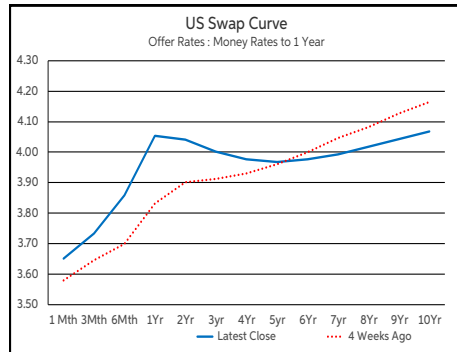
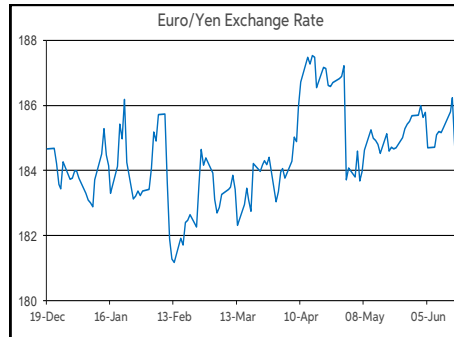
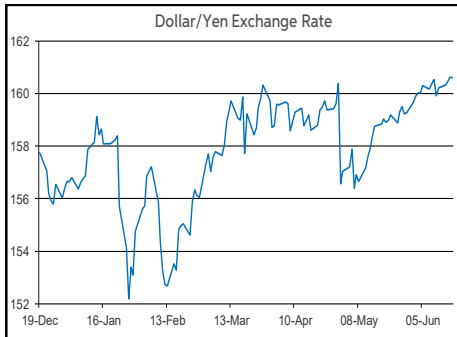
EUR/GBP	0.8654
EUR/USD	1.1513
EUR/JPY	184.89
EUR/SEK	10.9273
EUR/DKK	7.4747
EUR/NOK	11.0454
EUR/CHF	0.9201
EUR/AUD	1.6369
EUR/HKD	9.0239
EUR/CAD	1.6241

Sterling

GBP/EUR	1.1551
GBP/USD	1.33
GBP/CAD	1.8762
GBP/NZD	2.2981
GBP/JPY	213.58
GBP/SEK	12.6221
GBP/DKK	8.6332
GBP/NOK	12.7575
GBP/CHF	1.063
GBP/AUD	1.8909

Dollar

USD/JPY	160.59
USD/CAD	1.4107
USD/CHF	0.7993
USD/CNY	6.7615
USD/BRL	5.1052
USD/RUB	73.6
USD/INR	94.345
AUD/USD	0.7032
NZD/USD	0.5785



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.46	+4	-11	+31
Germany	2.93	-1	-17	+6
UK	4.76	-4	-23	+28
5 Year Swap %				
US	4.24	+9	+0	+51
Eurozone	2.80	+2	-13	+23
UK	4.30	-3	-22	+40
2 Year Swap %				
US	4.30	+13	+12	+73
Eurozone	2.78	+2	-7	+52
UK	4.27	-3	-21	+54
10 Year Government Bond Spreads to Benchmark bps				
Ireland	17	+0	-4	+0
Belgium	54	+0	+0	+5
France	74	+1	-3	+4
Italy	71	-0	-3	+6
Spain	42	+0	-0	-1
Portugal	38	+1	-1	+8
Greece	66	+0	-7	+4

Commodities				
	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	79.55	+0.75	-24.25	+30.73
West Texas Oil	80.65	+1.07	-20.69	+40.85
Gold \$	4257.7	-1.67	-6.29	-1.31

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