

Sterling on the front-foot

There was a mixed mood on markets yesterday. Political developments in Downing Street, news flow regarding talks between the US & Iran, and remarks from central bank officials, influenced sentiment throughout the day.

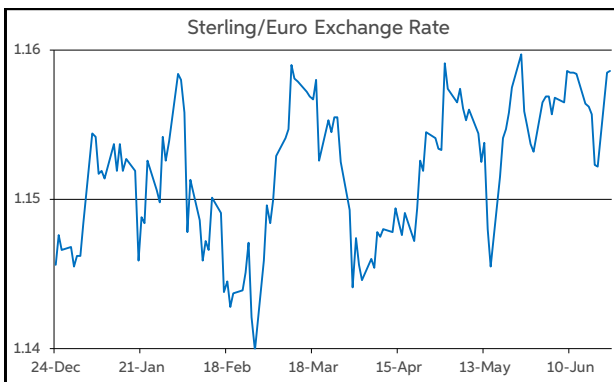
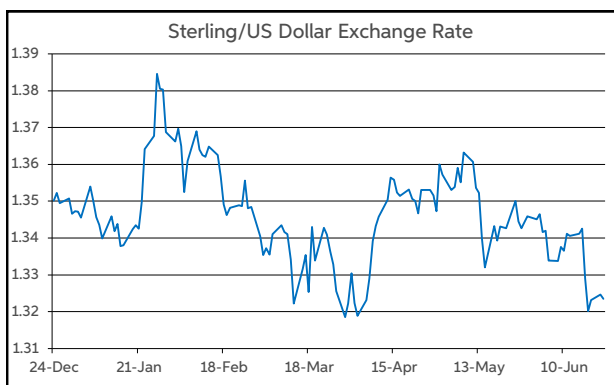
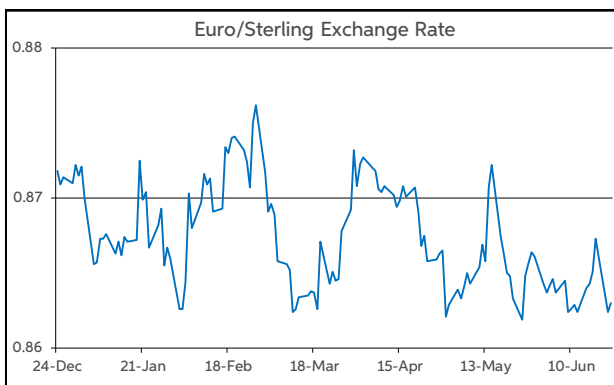
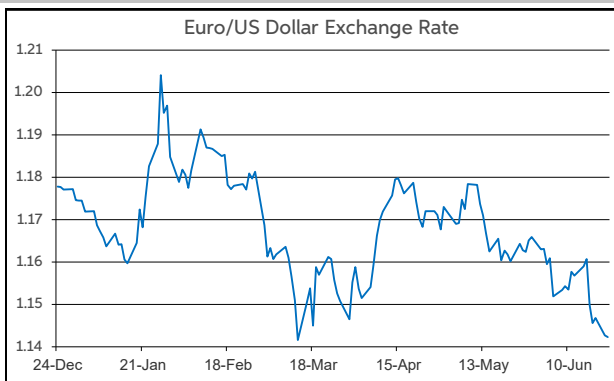
In the aftermath of PM Starmer's resignation yesterday, newly elected MP Andy Burnham has put himself forward as his potential successor. Burnham has been backed by fellow MP, Wes Streeting, who had been seen as a potential rival for the role. However, the path now appears to be clear for a swift transition of power to Burnham. Against this backdrop, UK assets outperformed. The pound strengthened, Gilt yields fell and the FTSE100 gained 0.7%.

Meantime, oil prices fell further, amid some positive reports regarding the first round of negotiations between the US & Iran, following the signing of the Memorandum of Understanding last week. The US has removed sanctions on Iranian oil exports, while traffic through the Strait of Hormuz has continued to rise. Brent crude declined by circa 2% yesterday, to near \$77 per barrel.

On the currency front, the euro was under some modest downward pressure yesterday. As trading gets underway this morning, the firmer tone to sterling and the weaker euro sees EUR/GBP open this morning back in the lower half of the 86-87p range. Meantime, EUR/USD is operating down in the bottom half of the \$1.14-1.15 band. GBP/USD is changing hands in the \$1.32-1.33 corridor. USD/JPY is in the top half of ¥161-162.

Turning to the day ahead, the flash PMIs for June in the UK, Eurozone and the US will be released. Across the board, manufacturing is expected to outperform services once again, albeit the gap between both sectors is set to narrow. On the monetary policy front, remarks from a number of ECB and BoE officials will warrant attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1423	-0.29	-2.74
EUR/GBP	0.863	-0.48	-0.98
GBP/USD	1.3235	0.22	-1.77
GBP/EUR	1.1584	0.49	0.98
USD/JPY	161.59	-0.04	3.15
EUR/JPY	184.61	-0.32	0.34

* 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	3.73	4.05	4.35	4.27
EUR	2.25	2.28	2.33	2.77	2.80	2.83
GBP	3.75	3.72	3.75	4.02	4.34	4.38

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

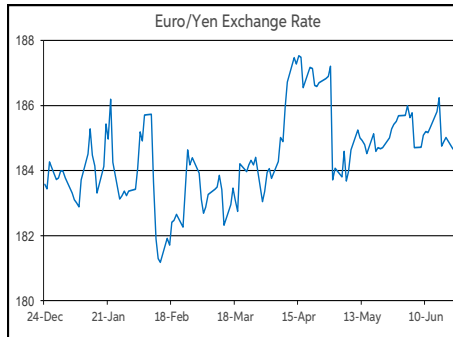
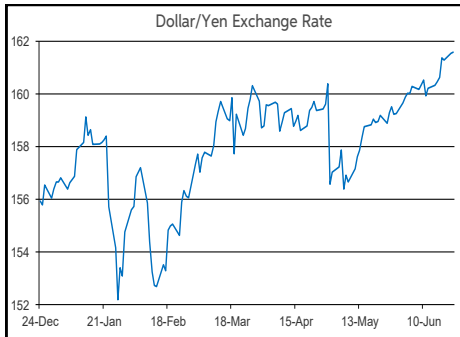
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

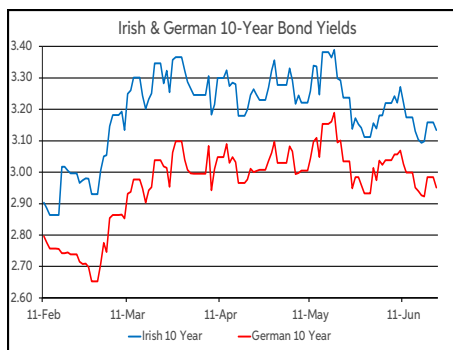
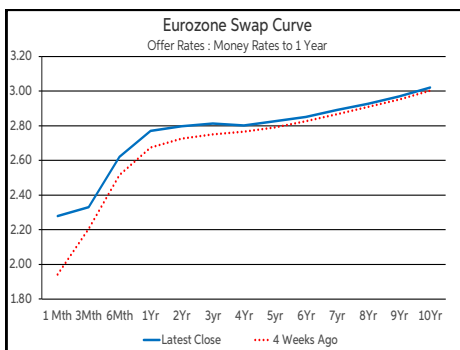
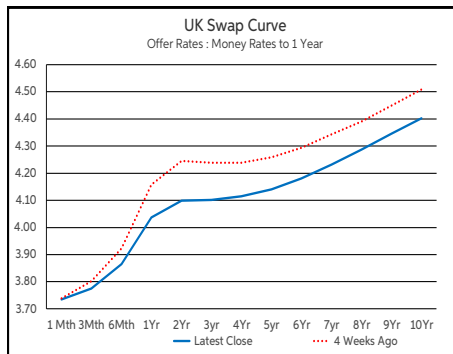
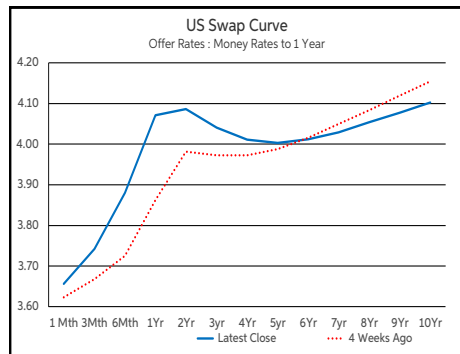
Tuesday 23 June 2026
06:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.863	GBP/EUR	1.1584	USD/JPY	161.59
EUR/USD	1.1423	GBP/USD	1.3235	USD/CAD	1.4173
EUR/JPY	184.61	GBP/CAD	1.8757	USD/CHF	0.8088
EUR/SEK	11.0139	GBP/NZD	2.324	USD/CNY	6.7789
EUR/DKK	7.4744	GBP/JPY	213.86	USD/BRL	5.144
EUR/NOK	11.1068	GBP/SEK	12.7608	USD/RUB	74.6
EUR/CHF	0.924	GBP/DKK	8.6575	USD/INR	94.6875
EUR/AUD	1.6404	GBP/NOK	12.8608	AUD/USD	0.6963
EUR/HKD	8.9557	GBP/CHF	1.0705	NZD/USD	0.5692
EUR/CAD	1.6189	GBP/AUD	1.9002		



Debt Markets				
	Close	Day	4 Weeks	End 25
10 Year Yield %				
US	4.51	+6	-7	+35
Germany	2.95	-3	+0	+9
UK	4.81	-3	-10	+34
5 Year Swap %				
US	4.28	+6	+4	+55
Eurozone	2.82	-3	+5	+26
UK	4.37	-4	-11	+48
2 Year Swap %				
US	4.34	+3	+11	+76
Eurozone	2.79	-4	+7	+54
UK	4.33	-4	-14	+60
10 Year Government Bond Spreads to Benchmark bps				
Ireland	18	+1	-1	+2
Belgium	55	+0	+1	+7
France	76	+0	+8	+6
Italy	72	-1	+1	+7
Spain	47	-0	+5	+4
Portugal	37	-0	-0	+8
Greece	66	+0	+1	+4



Commodities				
	Close	Day	4 Weeks	End 25
Brent Oil	77.9	-3.31	-18.97	+28.02
West Texas Oil	78.94	-1.75	-21.34	+37.86
Gold \$	4190.4	+0.73	-8.32	-2.87

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