

Morning Comment

AIB Treasury Economic Research Unit



Friday 22 May 2026
07:36 am

EUR/USD remains near \$1.16

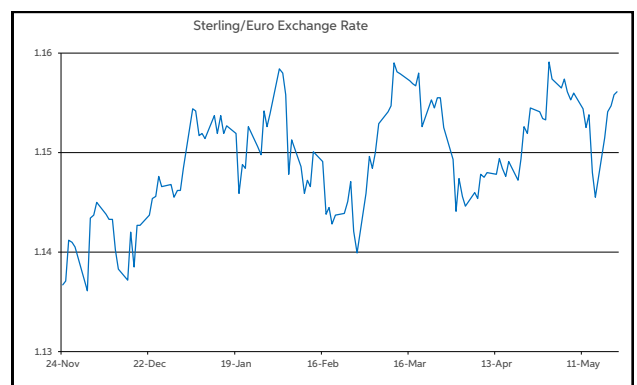
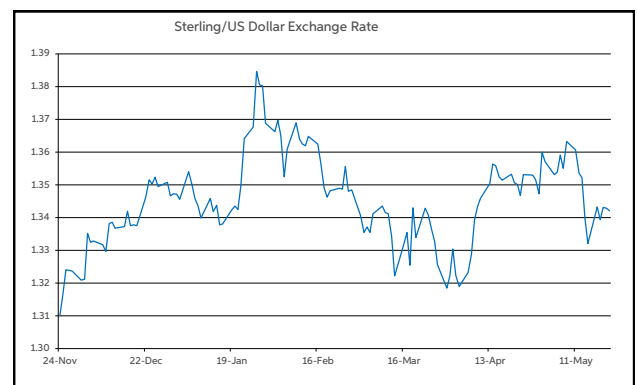
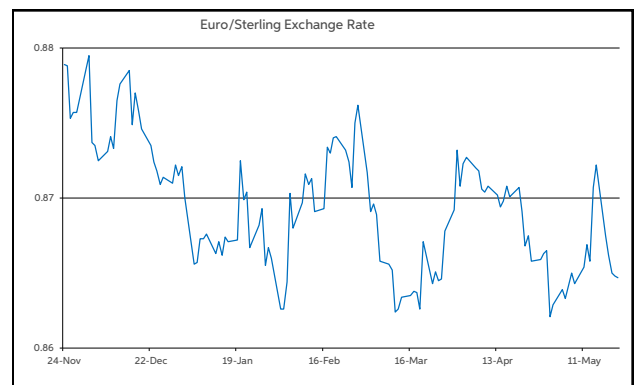
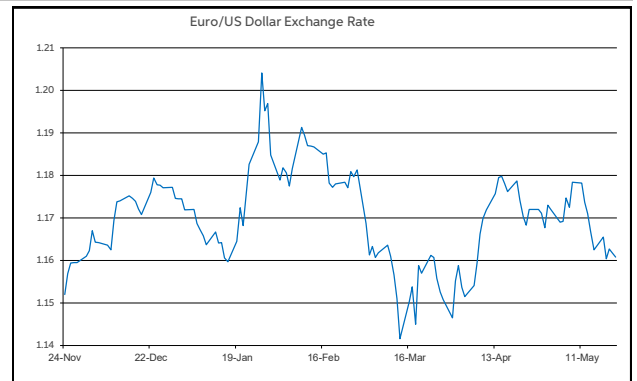
Investor sentiment was holding a cautious tone yesterday, amid conflicting headlines regarding the war in the Middle East and some mixed PMI data. Initially, reports suggested that disagreement regarding Iran's nuclear programme may curtail any deal to end the war in the Middle East. However, constructive remarks from US officials helped soothe the market angst later in the day. Meanwhile on the data front, the flash PMIs deteriorated sharply in the Eurozone and the UK in May, weighed down by the services sector. In contrast, the US PMIs indicated that activity levels increased in the month.

Overall though, Brent crude moved slightly lower yesterday, to back near \$103 per barrel. Meantime on equity markets, the Euro Stoxx 50 fell by 0.3%. However, on Wall Street, the S&P 500 edged 0.2% higher. Elsewhere, market rate expectations softened modestly in the Eurozone and the UK, following the release of the aforementioned weak PMI data.

Against this backdrop, both the euro and sterling were on the defensive. However, the moves were relatively small overall. As trading gets underway this morning, EUR/USD opens back near the \$1.16 mark, having tested below that level once again. Meantime, GBP/USD is changing hands in the lower half of \$1.33-1.34. EUR/GBP continues to operate at the midpoint of the 86-87p corridor.

Already this morning, UK retail sales figures for April have been released. Headline sales declined by 1.3% in the month, partly due to a sharp drop in fuel sales as prices spiked. The data has not impacted sterling so far in early trading. Later today, the bellwether German Ifo and the University of Michigan measure of US consumer sentiment will feature. On the monetary policy front, remarks from a number of central bankers, including ECB President Lagarde will warrant attention. 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	1.1608	-0.10	-1.17
EUR/GBP	0.8647	-0.05	-0.78
GBP/USD	1.3421	-0.07	-0.39
GBP/EUR	1.1561	0.05	0.79
USD/JPY	159.08	0.06	1.55
EUR/JPY	184.69	-0.05	0.38

* 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	3.60	3.65	3.86	4.21	4.25
EUR	2.00	1.97	2.18	2.75	2.85	2.92
GBP	3.75	3.73	3.78	4.12	4.45	4.51

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

CONTACTS		
AIB Customer Treasury Services business.treasury@aib.ie aib.corporatetreasury@aib.ie aib.ie/fxcentre	Customer Treasury Services GB treasury.gb@aib.ie aibgb.co.uk/fxcentre	Customer Treasury Services NI TreasuryNI@aib.ie aibni.co.uk/fxcentre

Opening Levels

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Euro

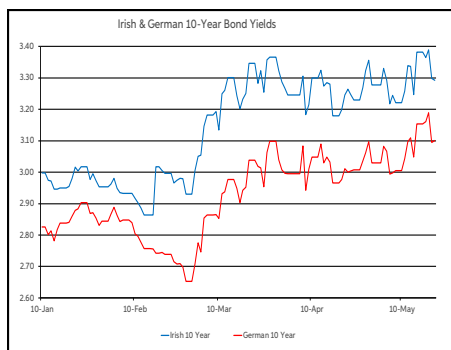
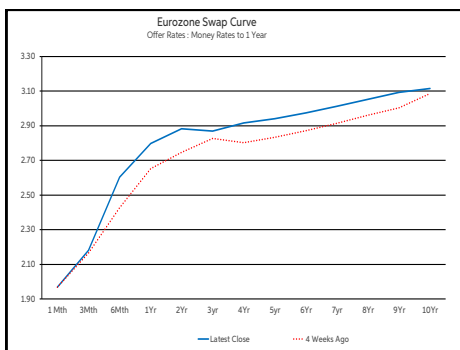
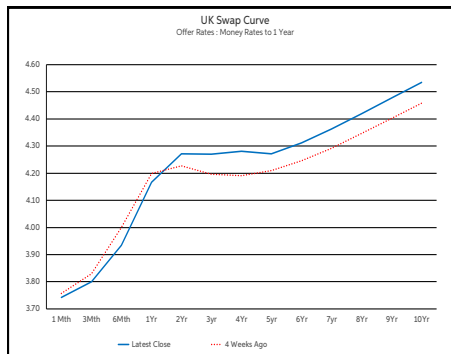
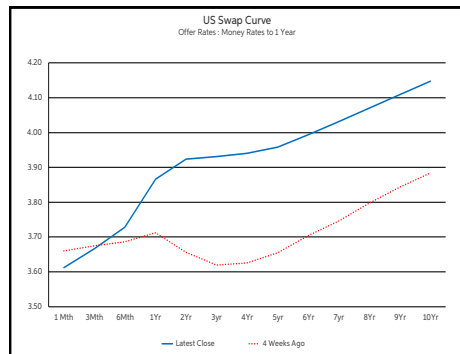
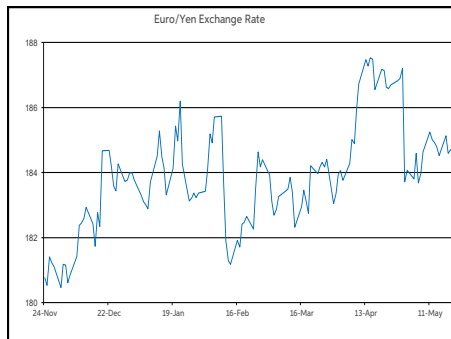
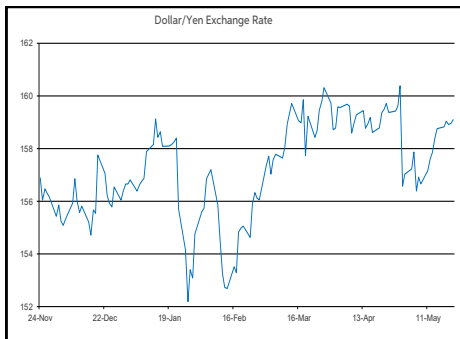
EUR/GBP	0.8647
EUR/USD	1.1608
EUR/JPY	184.69
EUR/SEK	10.8439
EUR/DKK	7.4729
EUR/NOK	10.7274
EUR/CHF	0.9133
EUR/AUD	1.6266
EUR/HKD	9.0961
EUR/CAD	1.6008

Sterling

GBP/EUR	1.1561
GBP/USD	1.3421
GBP/CAD	1.8508
GBP/NZD	2.2863
GBP/JPY	213.5
GBP/SEK	12.536
GBP/DKK	8.6394
GBP/NOK	12.402
GBP/CHF	1.0559
GBP/AUD	1.8808

Dollar

USD/JPY	159.08
USD/CAD	1.3791
USD/CHF	0.7868
USD/CNY	6.7965
USD/BRL	5.0052
USD/RUB	71.35
USD/INR	95.945
AUD/USD	0.7134
NZD/USD	0.5867



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.58	+1	+26	+43
Germany	3.10	+1	+10	+24
UK	4.97	-2	+2	+49
5 Year Swap %				
Ireland	3.29	-1	+4	+26
Belgium	3.66	+3	+17	+31
France	3.89	+2	+22	+32
Italy	3.86	+3	+5	+35
Spain	3.54	+3	+7	+25
Portugal	3.50	+2	+8	+34
Greece	3.77	-5	-0	+29
2 Year Swap %				
US	4.23	-1	+32	+50
Eurozone	2.93	+0	+11	+36
UK	4.51	-1	+5	+61
10 Year Government Bond Spreads to Benchmark bps				
Ireland	19	-1	-5	+2
Belgium	55	+2	+8	+7
France	78	+2	+12	+9
Italy	76	+2	-4	+11
Spain	44	+2	-3	+1
Portugal	40	+2	-2	+11
Greece	67	-5	-10	+5

Commodities

	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	102.58	-2.32	-2.37	+68.58
West Texas Oil	100.2	-1.47	+0.94	+74.99
Gold \$	4544.0	+0.01	-3.17	+5.33

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