

# Morning Comment

AIB Treasury Economic Research Unit



Thursday 19 March 2026  
06:19 am

## Focus on ECB & BoE policy decisions

There was a risk averse tone to investor sentiment yesterday, amid a renewed rise in oil and gas prices due to the ongoing conflict in the Middle East. The Pars gas field in Iran was subject to attack yesterday, the first reported strike on Iran's Gulf energy infrastructure since the war started. In response, Iran struck Qatar's Ras Laffan energy facility and stated that it will now target oil and gas facilities throughout the region. As a result, Brent crude is trading north of \$110 per barrel this morning.

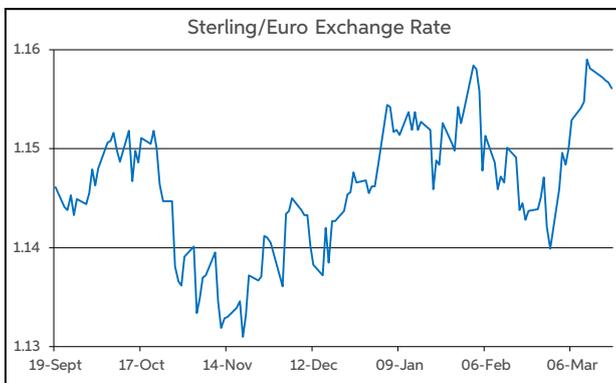
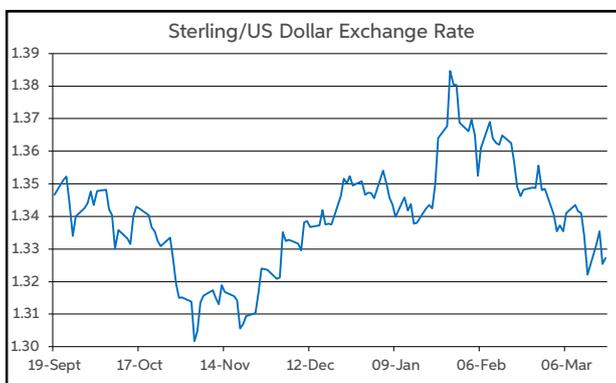
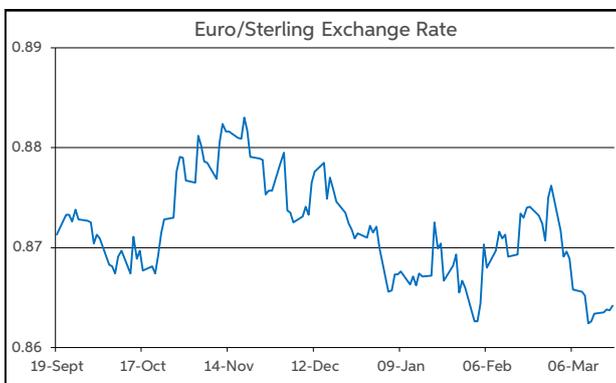
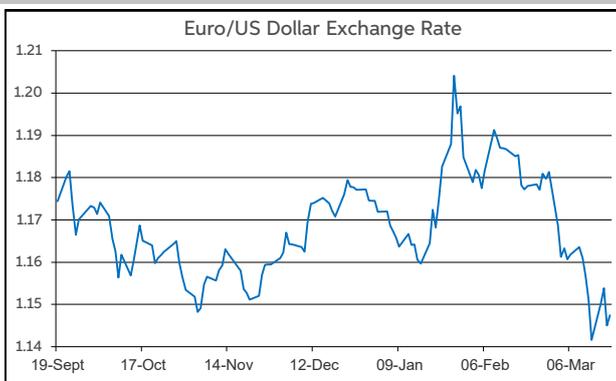
Meanwhile, in terms of monetary policy, the Fed left rates on hold, as expected. Furthermore, the updated interest rate dotplot in the Summary of Economic Projections indicates that the median expectation remains for just one 25bps rate cut this year. At the press conference, Chair Powell stated that the economic impact of the war in the Middle East is currently "uncertain", but he warned that the spike in energy prices would lead to higher inflation in the short-term. Elsewhere, the BoJ also opted to leave rates unchanged.

Against this backdrop, market interest rate expectations firmed across the board. Most notably, the market is no longer pricing in any rate cuts from the Fed this year. Against this backdrop, the Euro Stoxx 50 declined by 0.6%, while the S&P 500 shed 1.4%. Meantime, US Treasury yields rose by 5-15bps along the curve.

Currency-wise, the dollar was supported by the risk averse mood and the firming in US rate expectations. This sees EUR/USD open this morning back below the \$1.15 threshold. GBP/USD is operating down below the \$1.33 handle. Elsewhere, EUR/GBP remains in the lower half of the 86-87p corridor.

Today, the focus will remain on the conflict in the Middle East once again. Meanwhile, the ECB and the BoE will be in the monetary policy spotlight. Both are expected to leave interest rates unchanged.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1474	-0.61	-2.31
EUR/GBP	0.8642	0.10	-0.84
GBP/USD	1.3275	-0.73	-1.47
GBP/EUR	1.1568	-0.10	0.84
USD/JPY	159.65	0.60	1.92
EUR/JPY	183.19	-0.03	-0.43

\* 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	3.68	3.70	3.88	3.84	
EUR	2.00	1.94	2.15	2.71	2.76	
GBP	3.75	3.72	3.73	4.21	4.26	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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# Opening Levels

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## Euro

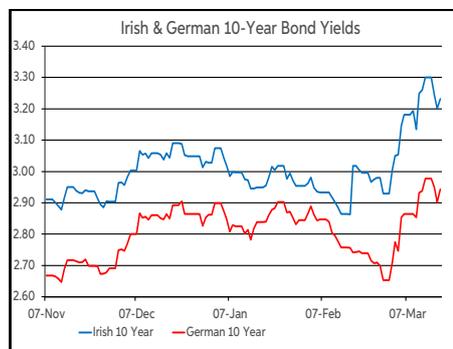
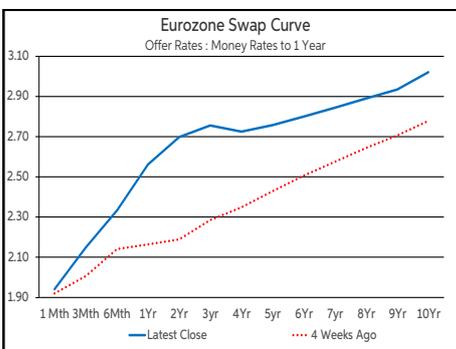
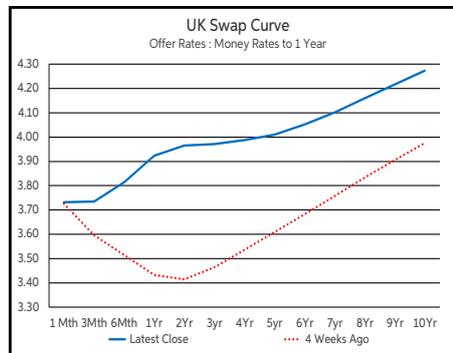
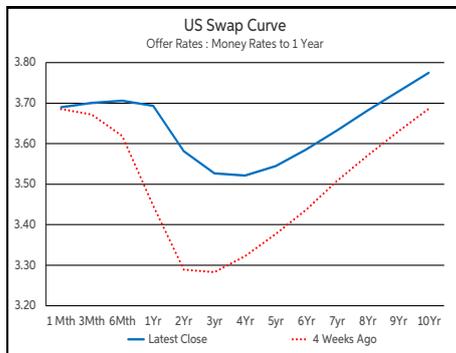
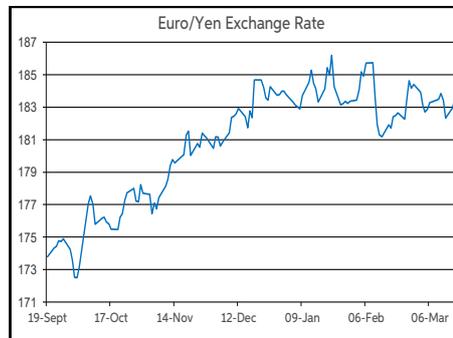
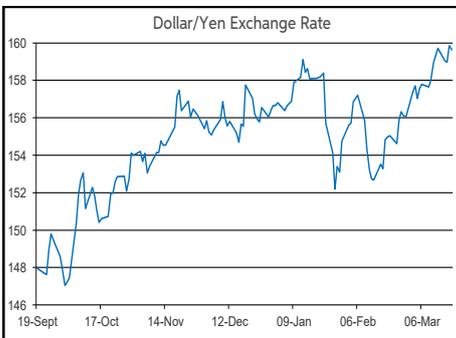
EUR/GBP	0.8642
EUR/USD	1.1474
EUR/JPY	183.19
EUR/SEK	10.7815
EUR/DKK	7.4726
EUR/NOK	10.9969
EUR/CHF	0.9088
EUR/AUD	1.6289
EUR/HKD	8.9939
EUR/CAD	1.5743

## Sterling

GBP/EUR	1.1568
GBP/USD	1.3275
GBP/CAD	1.8211
GBP/NZD	2.2794
GBP/JPY	211.94
GBP/SEK	12.4726
GBP/DKK	8.6419
GBP/NOK	12.724
GBP/CHF	1.0513
GBP/AUD	1.8843

## Dollar

USD/JPY	159.65
USD/CAD	1.3722
USD/CHF	0.792
USD/CNY	6.898
USD/BRL	5.2487
USD/RUB	84.15
USD/INR	93.289
AUD/USD	0.7042
NZD/USD	0.5821



## Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 25
<b>10 Year Yield %</b>				
US	4.26	+5	+18	+10
Germany	2.94	+4	+20	+8
UK	4.75	+5	+37	+27
<b>5 Year Swap %</b>				
US	3.81	+7	+17	+8
Eurozone	2.73	+4	+32	+17
UK	4.25	+4	+40	+35
<b>2 Year Swap %</b>				
US	3.85	+11	+31	+28
Eurozone	2.69	+11	+51	+44
UK	4.20	+6	+55	+47
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	29	-1	+1	+12
Belgium	47	+2	+8	-1
France	67	+1	+10	-3
Italy	80	+5	+20	+16
Spain	50	+2	+7	+7
Portugal	44	+2	+8	+14
Greece	75	-2	+14	+14

## Commodities

	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	112.82	+9.09	+60.37	+85.41
West Texas Oil	96.12	+0.11	+47.13	+67.87
Gold \$	4817.6	-3.73	-3.24	+11.67

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