

War Tensions Keep Dollar in Demand and Weaken Other Major Currencies



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Lebanese Forex Market

	24/04/2026	17/04/2026	% Change	YTD
Euro / LBP	104,553.90	105,448.90	-0.85%	-0.44%
Euro / Dollar	1.1683	1.1765	-0.70%	-0.56%
NEER Index	120.03	119.58	0.38%	-46.76%

*Prices are as of the time of writing this report

The Nominal Effective Exchange Rate (NEER) of the Lebanese pound marginally rose by 0.38% this week, reaching 120.03 points, against a basket of 21 influential currencies, including the Euro and British pound, driven by the U.S. Dollar's strengthening.

International Forex Market

	24/04/2026	17/04/2026	% Change	Status
Dollars index = DXY	98.85	98.10	0.76%	Strengthened
Euro (EUR/USD)	1.1683	1.1765	-0.70%	Weakened
U.K. Pound (GBP/USD)	1.3469	1.3516	-0.35%	Weakened
Swiss Franc (USD/CHF)	0.7870	0.7817	0.68%	Weakened
Chinese Yuan (USD/CNY)	6.8351	6.8182	0.25%	Weakened
Japanese Yen (USD/JPY)	159.62	158.64	0.62%	Weakened
Australia \$ (AUD/USD)	0.7124	0.7174	-0.70%	Weakened
Canadian \$ (USD/CAD)	1.3709	1.3691	0.13%	Weakened

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In international currency markets, the **US Dollar Index**—a measure of the US currency's strength against a basket of six rivals—rose 0.76% this week to 98.85 points. Despite U.S. President Donald Trump extending the ceasefire with Iran indefinitely, persistent tensions sustained safe-haven demand for the dollar.

The escalation of tensions in the Strait of Hormuz, and consequently the surge in energy prices, added further support. Because oil and gas are priced in USD, higher energy costs boosted transactional demand for the currency. Moreover, as a net energy exporter, the US economy benefits from elevated energy prices and is comparatively insulated from supply disruptions that weigh more heavily on Europe and Asia and their corresponding currencies.

The ripple effects of rising energy costs—spanning transport, operations, and food prices—combined with trade disruptions from tensions in the Strait of Hormuz, have fueled broader price pressures. Persistent inflation risks from the prolonged energy shock reinforced expectations that central banks may keep interest rates elevated for longer, further supporting the dollar's strength.

The dollar also strengthened after Donald Trump urged the Federal Reserve to move quickly on rate cuts, saying he would be “disappointed” if nominee Kevin Warsh did not act immediately. Warsh countered that the Fed’s independence rests on the institution itself, signaling resistance to political pressure.

As the Dollar strengthens, other major currencies tend to weaken against it.

The **euro** weakened by 0.7% this week to record 1.1683 points today due to the area’s heavy reliance on energy supplies from the Middle East.

The **Australian dollar** also weakened by 0.7% this week to 0.7124 points due to global risk aversion amid the prolonged Middle East conflict.

Commodities

	Currency	24/04/2026	17/04/2026	% Change
Gold (Spot)	USD	4,669.40	4,830.34	-3.33%
Silver (Spot)	USD	74.21	80.89	-8.26%
Brent Crude Oil	USD	99.41	90.38	9.99%
WTI Crude Oil	USD	96.15	83.85	14.67%

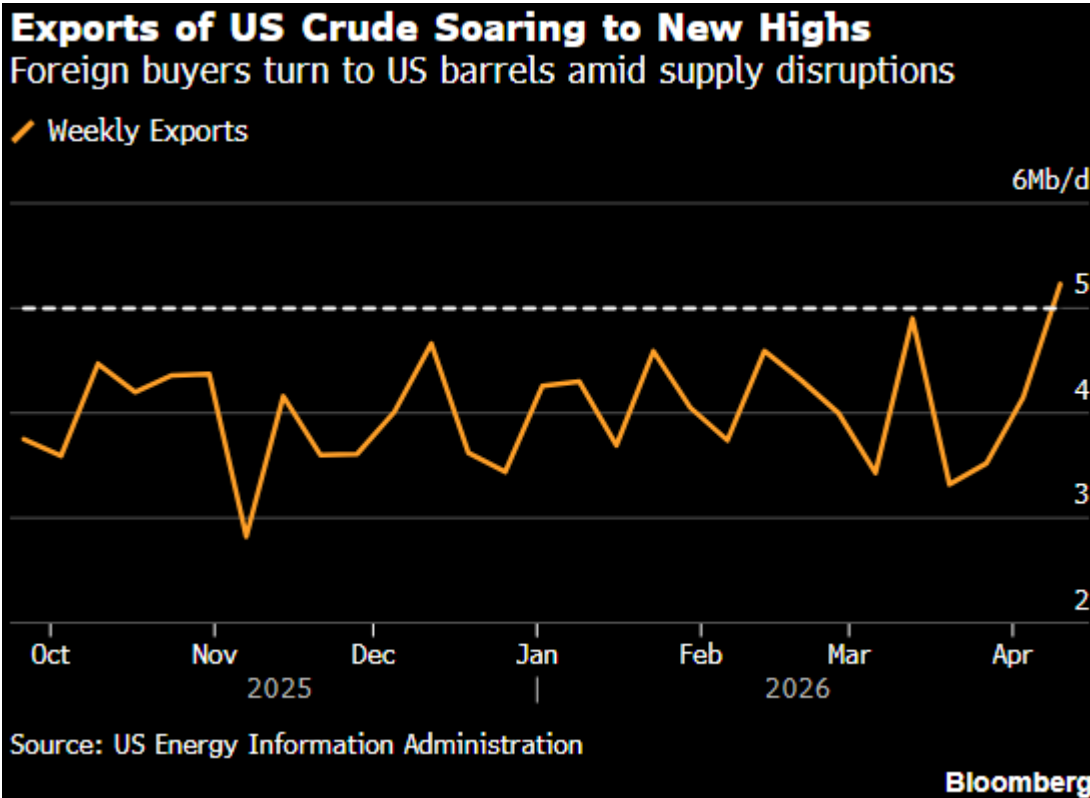
*Prices are as of the time of writing this report

In commodity markets, **gold** fell by 3.33% this week to \$4,669.4 per ounce, while **silver** declined by 8.26% to \$74.21 per ounce. Despite their strong safe-haven reputation—underscored by sharp gains last year—both metals retreated this week even amid geopolitical tensions, inflation concerns, and rising US debt risks linked to war financing. Analysts attribute the pullback largely to profit-taking, with traders liquidating positions to make up for losses incurred elsewhere. Meanwhile, a stronger U.S. Dollar has made precious metals less affordable for foreign buyers, further supporting its downward momentum. Also, expected delays in Fed rates cuts made the non-yielding metals less appealing.

In oil markets, **Brent** and **WTI crude** surged 10% and 14.67% this week to \$99.41 and \$96.15 per barrel, respectively. Gains came despite the US-Iran ceasefire, as the Strait of Hormuz—through which 20% of global oil flows—remains closed, forcing GCC producers to cut output by 10 million barrels per day.

Prospects for reopening remain uncertain as tensions remain high. Iran published footage of special forces boarding a cargo vessel in the Strait of Hormuz, while President Donald Trump's order to the US Navy to target vessels laying mines in the strait, alongside US forces boarding a supertanker carrying Iranian oil in the Indian Ocean, further complicated negotiations.

WTI demand was notably driven by overseas buyers. Bloomberg Intelligence (*via Texas Oil Pipes Are Running All-Out to Serve Overseas Demand*) reported Texas pipelines running above designed capacity as foreign refiners sought US crude to replace cargoes stranded by the war. Wood Mackenzie data showed volumes through those networks rose 1.5% last week to a daily average of 5.27 million barrels.



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