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Lebanese Forex Market

	12/06/2026	05/06/2026	% Change	YTD
Euro / LBP	103,488.85	103,972.15	-0.46%	-1.46%
Euro / Dollar	1.1563	1.1522	0.36%	-1.58%
NEER Index	122.07	121.83	0.20%	-45.85%

*Prices are as of the time of writing this report

The Nominal Effective Exchange Rate (NEER) of the Lebanese pound marginally rose by 0.2% this week, reaching 122.07 points, against a basket of 21 influential currencies, including the Euro and British pound.

International Forex Market

	12/06/2026	05/06/2026	% Change	Status
Dollars index = DXY	99.82	100.07	-0.25%	Weakened
Euro (EUR/USD)	1.1563	1.1522	0.36%	Strengthened
U.K. Pound (GBP/USD)	1.3402	1.3341	0.46%	Strengthened
Swiss Franc (USD/CHF)	6.7669	6.7764	-0.14%	Weakened
Chinese Yuan (USD/CNY)	6.7675	6.7764	-0.13%	Strengthened
Japanese Yen (USD/JPY)	160.31	160.31	0.00%	Stabilized
Australia \$ (AUD/USD)	0.7030	0.7045	-0.21%	Weakened
Canadian \$ (USD/CAD)	1.3985	1.3939	0.33%	Weakened

*Prices are as of the time of writing this report

The **US Dollar Index** slipped by 0.25% this week to 99.82 points, stabilizing after touching its weakest level in a week on Thursday. The decline reflected softer safe-haven demand following President Donald Trump’s cancellation of planned US strikes on Iran and remarks that a peace deal with Iran could be signed in Europe as soon as this weekend. His comments triggered a sharp drop in oil prices, easing inflation fears and reducing pressure for further rate hikes.

The dollar index’s decline came despite the Producer Price Index increasing by 1.1% monthly in May compared to expectations of a 0.7% rise.

As per the CME Fed Watch, traders are pricing in a 55.3% possibility of at least 1 rate hike this year, compared to a 70.7% possibility last week. Details below:

TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 10 JUN 2026	1 WEEK 5 JUN 2026	1 MONTH 12 MAY 2026
325-350	0.6%	0.9%	0.8%	2.5%
350-375 (Current)	44.1%	32.5%	28.5%	61.8%
375-400	40.9%	42.9%	43.0%	30.8%
400-425	12.8%	19.8%	22.6%	4.7%
425-450	1.5%	3.7%	4.8%	0.2%
450-475	0.1%	0.2%	0.3%	0.0%

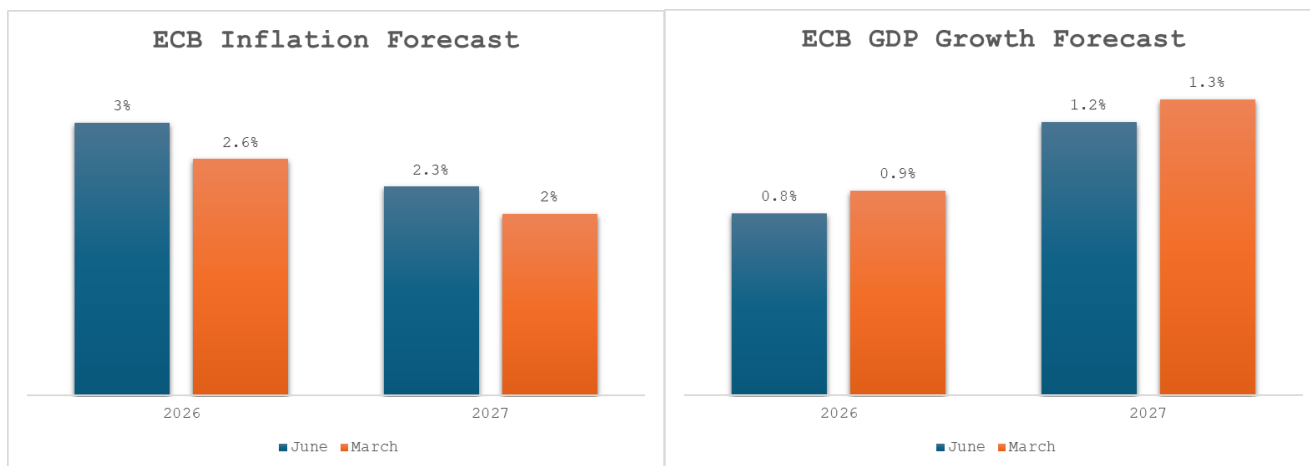
* Data as of 12 Jun 2026 01:14:00 CT

1/1/2028 and forward are projected meeting dates

Graphic: CME Fed Watch

The **euro** rose by 0.36% this week to 1.1563 points, supported by a weaker dollar and the European Central Bank’s first rate hike since September 2023. The 0.25% rate hike to 2.25% reflected surging inflation risks resulting from the Middle East energy shock and the closure of the Strait of Hormuz since the start of the war.

The ECB lifted its inflation forecasts for 2026 and 2027 while trimming growth projections.



Sources: ECB; BLOMINVEST Bank

Similarly, the **British pound** strengthened by 0.46% this week to 1.3402 points, heading for its strongest weekly performance in around a month as dollar weakness persisted on optimism over a Middle East peace deal. This rise came despite the UK’s economy contracting by 0.1% in April, the first monthly decline since August, amid war-driven suspension of Formula 1 and other events in the UK. That said, the Bank of England is expected to hold rates steady at its June 18 meeting.

Commodities

	Currency	12/06/2026	05/06/2026	% Change
Gold (Spot)	USD	4,179.47	4,329.33	-3.46%
Silver (Spot)	USD	66.71	67.84	-1.66%
Brent Crude Oil	USD	88.33	93.09	-5.11%
WTI Crude Oil	USD	85.80	90.54	-5.24%

*Prices are as of the time of writing this report

In commodity markets, **gold** dropped by 3.46% this week to \$4,179.5 per ounce, recovering slightly after Thursday’s six-month low. The decline was driven by softer safe-haven demand as geopolitical tensions eased following President Trump’s remarks on a potential peace deal with Iran. Notably, the drop came despite a weaker dollar and fading expectations of further Fed hikes by year-end.

The metal remains on track for its weakest quarter in nearly a decade. While gold is typically viewed as an inflation hedge, surging prices linked to the Middle East conflict have kept interest rates elevated, reducing the appeal of the non-yielding asset. Central bank sales of some their gold reserves to support their currencies, including from Turkey, have added to the pressure. Analysts also warn that upcoming mega IPOs, such as SpaceX, could divert liquidity away from bullion in the short term.



Graphic: [Financial Times](#)

Similarly, **silver** declined 1.66% this week to \$66.71 per ounce, as easing inflation concerns amid reduced geopolitical tensions lowered expectations for further central bank tightening, offering some support to the non-yielding metal.

In oil markets, **Brent** and **WTI crude** declined by more than 5% this week to \$88.33 and \$85.80 per barrel, respectively, pressured by prospects of a US-Iran accord. Trump suggested the deal would reopen Hormuz shipping lanes and secure Iranian pledges to abandon nuclear ambitions, while Iranian media signaled tentative acceptance. Still, market participants highlight significant obstacles before flows normalize, such as clearing mines from Hormuz, reviving production, and repairing war-damaged infrastructure.

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