Progress in US–Iran Talks Helps Return Precious Metals and Crude Oil to Pre-War Levels

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Lebanese Forex Market

	03/07/2026	26/06/2026	% Change
Euro / LBP	102,451	101,878	0.56%
Euro / Dollar	1.1447	1.1383	0.56%
NEER Index	123.44	122.93	0.42%

*prices are as of the time of writing this report

The Nominal Effective Exchange Rate (NEER) of the Lebanese pound rose by 0.42% this week, reaching 123.44 points on July 3rd, 2026, against a basket of 21 influential currencies – including the Euro and British pound.

International Forex Market

	03/07/2026	26/06/2026	% Change	Status
Dollars index = DXY	100.72	101.36	-0.63%	Weakened
Euro (EUR/USD)	1.1451	1.1383	0.60%	Strengthened
U.K. Pound (GBP/USD)	1.3357	1.32	1.19%	Strengthened
Swiss Franc (USD/CHF)	0.8028	0.8097	-0.85%	Strengthened
Chinese Yuan (USD/CNY)	6.7837	6.8049	-0.31%	Strengthened
Japanese Yen (USD/JPY)	161.1	161.74	-0.40%	Strengthened
Australia $ (AUD/USD)	0.694	0.6896	0.64%	Strengthened
Canadian $ (USD/CAD)	1.4186	1.4195	-0.06%	Strengthened

*prices are as of the time of writing this report

In international currency markets this week**,** the **US Dollar Index** – a measure of the US currency's strengthened against a basket of six rivals – dropped by 0.63% to 100.72. The US dollar ended the week under pressure after a softer-than-expected June employment report considerably transformed prospects for Federal Reserve policy. While the greenback initially found support from robust economic data, and comments from Fed Chairman Kevin Warsh suggesting inflation risks had eased without excluding the possibility of further tightening, sentiment shifted sharply following weak nonfarm payrolls. The discouraging labor market data provoked investors to lessen expectations for further Fed rate hikes, weighing on Treasury yields and dragging the dollar lower. Despite the drop in unemployment rate, weaker labor force participation underscored signs of a moderating employment market, forcing the dollar to finish the week below recent highs.

The **euro** recovered toward the end of the week after earlier weakness driven by softer Eurozone inflation data and increasingly dovish messages from the European Central Bank (ECB). Inflation indicators across the union pointed to easing price pressures, reinforcing expectations that the ECB has greater flexibility to adopt a less restrictive policy stance. Despite the late recovery, the euro remained close to one-year lows, reflecting the continued deviation between the Eurozone's slowing inflation outlook and relatively robust US economic circumstances.

Sterling strengthened over the course of the week, reinforced mainly by renewed weakness in the US dollar after disappointing US employment figures lowered expectations for further Federal Reserve tightening. Earlier this week, the pound remained under pressure amid domestic political doubt and the Bank of England's (BoE) cautious policy outlook, with Governor Andrew Bailey restating that although the UK economy is slowing, persistent inflation continues to explain a careful approach toward future rate cuts. Improved market sentiment and easing geopolitical tensions also contributed to the pound's recovery, allowing it to reach its strongest level in almost two weeks against the dollar.

The **Japanese Yen** posted a noteworthy recovery after previously falling to its weakest level in four decades against the US dollar. The recover was driven mainly by increased speculation regarding possible official intervention, reinforced by repeated warnings from Japanese authorities and reports suggesting Tokyo may adopt a less predictable intervention strategy. Softer US economic data and reduced expectations for Federal Reserve tightening also narrowed the interest rate advantage supporting the dollar. Nevertheless, the yen continues to face structural pressure from the wide interest rate differential between Japan and the United States, as the Bank of Japan maintains only a gradual normalization of monetary policy.

The **offshore Chinese Yuan** ended the week fairly stronger, breaking a two-week losing streak as broad US dollar weakness outweighed prolonged domestic policy fears. Earlier pressure on the currency stemmed from stronger US interest rate anticipations and consistently softer-than-expected daily reference rates set by the People's Bank of China, signaling tolerance for gradual currency depreciation. However, on the economic front, improving Chinese PMI readings and easing geopolitical disturbances reinforced confidence in China's economic momentum, while weaker US labor market data reduced demand for the dollar and allowed the yuan to recover.

Commodities

	03/07/2026	**26/06/2026**	**% Change**
Gold	4,180.79	4,088.23	2.26%
Silver	62.74	59.15	6.07%
Brent Crude Oil	71.83	71.99	-0.22%
WTI Crude Oil	68.76	69.23	-0.68%

*prices are as of the time of writing this report

In commodity markets, **Gold** prices rose by 2.26% during the course of the week to reach $4,180.79per ounce, marking a strong rebound during the course of the week as US labor market data provoked investors to reevaluate prospects for Federal Reserve policy. After extending recent declines earlier in the week amid prospects of persistent monetary policy tightening, bullion upturned dramatically immediately after disappointing employment data that reduced the likelihood of further rate hikes.

Silver displayed solid weekly gains, outperforming gold as easing expectations for further Federal Reserve tightening boosted demand across precious metals. The metal benefited from a weaker US dollar following disappointing labor market data, while persistent confidence surrounding industrial demand—particularly from technology and AI-related applications such as data centers—delivered an additional layer of support. Although higher interest rates remain a threat for non-yielding assets, silver's dual role as a precious and industrial metal allowed it to recover robustly from recent multi-month lows.

Conversely, Brent Crude Oil and West Texas Intermediate Crude oil (**WTI)** prices dropped marginally by 0.22% and 0.68% week on week to reach $71.83 and $68.76 per barrel, respectively. Crude oil stayed under pressure over the course of the week, trading close to pre-war levels due to improving supply conditions. Progress in US-Iran negotiations in Qatar and the continued normalization of shipping through the Strait of Hormuz significantly eased fears related global supply. Rising exports from Saudi Arabia and the United Arab Emirates (3.9 million barrels per day) further reinforced prospects of improving market availability, while additional Iranian crude entering global markets added to supply.

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