

Yen Partially Rebounds as Japan Pushes Pension Funds into Local Assets Investments



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Lebanese Forex Market

	Price 10-Jul-2026 (Intraday)	Close 3-Jul-2026	% Change	YTD % Change
Euro / LBP	102,361.15	102,450.65	-0.09%	-2.53%
Euro / Dollar	1.1439	1.1436	0.03%	-2.64%
NEER Index	123.72	123.46	0.21%	-45.12%

*Prices are as of the time of writing this report

The Nominal Effective Exchange Rate (NEER) of the Lebanese pound marginally rose by 0.21% this week, reaching 123.72 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

	Price 10-Jul-2026 (Intraday)	Close 3-Jul-2026	% Change	Status
Dollars index = DXY	100.80	100.86	-0.06%	Weakened
Euro (EUR/USD)	1.1439	1.1436	0.03%	Strengthened
U.K. Pound (GBP/USD)	1.3424	1.3351	0.55%	Strengthened
Swiss Franc (USD/CHF)	0.8047	0.8032	0.19%	Weakened
Chinese Yuan (USD/CNY)	6.7845	6.7842	0.00%	Weakened
Japanese Yen (USD/JPY)	161.62	161.37	0.15%	Weakened
Australia \$ (AUD/USD)	0.6947	0.6938	0.13%	Strengthened
Canadian \$ (USD/CAD)	1.4164	1.4199	-0.25%	Strengthened

*Prices are as of the time of writing this report

In international currency markets, the **US Dollar Index**—a measure of the US currency’s strength against a basket of six rivals— fell by 0.06% this week to 100.8 points. The decline came as ongoing US-Iran peace talks tempered safe-haven demand. Softer oil prices further eased inflationary pressures and trimmed expectations of aggressive Federal Reserve tightening, though markets still anticipate at least one rate hike this year.

The **euro** and **sterling** strengthened by 0.03% and 0.55%, respectively, supported by broad dollar weakness. Both currencies are more exposed to energy imports than peers, so the modest rise in oil prices this year has lifted inflation risks and increased the likelihood of further rate hikes from the ECB and BoE. Sterling gained additional momentum following the announcement of Labour Prime Minister Keir Starmer’s decision to step down.

The **Japanese yen** has weakened by 0.15% this week, following a volatile stretch that saw the currency trade near 40-year lows. Renewed conflict between the US and Iran pushed oil prices higher, intensifying pressure on Japan’s energy-import-dependent economy and weighing on the yen. However, Friday brought a partial recovery after Finance Minister Satsuki Katayama announced plans to encourage pension funds, including the GPIF, to expand investment in domestic financial assets. Given the GPIF’s scale — managing ¥293.6 trillion (\$1.8 trillion) at the end of March — any portfolio shift could reverberate globally. The remarks sparked gains in the yen and bonds as investors anticipated significant inflows into Japanese markets. Additional support came from retreating oil prices and reports that US-Iran peace negotiations would continue despite recent hostilities. Market participants now await intervention data later this month to assess if Tokyo’s authorities were behind the yen’s strong short-duration surges.

Commodities

	Currency	Price 10-Jul- 2026 (Intraday)	Close 3-Jul- 2026	% Change
Gold (Spot)	USD	4,112.24	4,175.70	-1.52%
Silver (Spot)	USD	60.10	62.43	-3.72%
Brent Crude Oil	USD	76.64	72.12	6.27%
WTI Crude Oil	USD	72.37	68.69	5.36%

*Prices are as of the time of writing this report

In commodity markets, **gold** fell 1.52% this week to \$4,112 per ounce, while **silver** dropped 3.72% to \$60.1. Both metals retreated as US-Iran peace talks reduced safe-haven demand. Modest oil price gains sustained expectations of Federal Reserve tightening, diminishing the appeal of non-yielding assets. Although gold is often viewed as an inflation hedge, its attractiveness wanes in a high-rate environment. These declines came despite dollar weakness, which typically supports metals by making them cheaper for foreign buyers.

In oil markets, **Brent** and **WTI crude** surged 6.27% and 5.36% this week to \$76.64 and \$72.37 per barrel, respectively, despite ongoing US-Iran peace talks. The rise followed two consecutive days of US strikes on Iranian targets in response to attacks on vessels in the Strait of Hormuz, prompting retaliatory strikes by Tehran on US bases across the region. President Donald Trump cast doubt on the interim peace deal, declaring it over amid renewed hostilities. Shipping traffic through Hormuz slowed sharply, with markets watching closely to see if transit activity stabilizes. The strategic waterway remains central to ongoing US-Iran negotiations.

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