

Fed Tightening Lifts Dollar and Weakens Other Major Currencies Except for Yuan



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Contact Information

Mira Said

Senior Research Specialist

mira.said@blom.com.lb

Lebanese Forex Market

	18/09/2026	11/09/2026	% Change	YTD % Change
Euro / LBP	102,710.20	103,891.60	-1.14%	-2.20%
Euro / Dollar	1.1482	1.1601	-1.03%	-2.27%
NEER Index	127.11	126.78	0.26%	-43.61%

*Prices are as of the time of writing this report

The Nominal Effective Exchange Rate (NEER) of the Lebanese pound rose by 0.26% this week, reaching 127.11 points, against a basket of 21 influential currencies, including the Euro and British pound, driven by the U.S. Dollar's strengthening.

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International Forex Market

	18/09/2026	11/09/2026	% Change	Status
Dollars index = DXY	100.30	99.12	1.19%	Strengthened
Euro (EUR/USD)	1.1482	1.1601	-1.03%	Weakened
U.K. Pound (GBP/USD)	1.3361	1.3526	-1.22%	Weakened
Swiss Franc (USD/CHF)	0.8243	0.8164	0.97%	Weakened
Chinese Yuan (USD/CNY)	6.7014	6.7083	-0.10%	Strengthened
Japanese Yen (USD/JPY)	157.19	153.57	2.36%	Weakened
Australia \$ (AUD/USD)	0.7123	0.7170	-0.66%	Weakened
Canadian \$ (USD/CAD)	1.3990	1.3870	0.87%	Weakened

*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—rose by 1.19% this week to 100.3 points.

The dollar posted its sharpest rally in three months on Wednesday after the Federal Reserve raised rates by 0.25% for the first time since 2023 and Fed Chair Kevin Warsh reiterated concerns over high inflation levels, hinting at further tightening ahead. The dollar eased on Thursday as the prior surge faded, though it remained higher on the week, pressured by softer Treasury yields and moderating oil prices.

As the dollar strenghtens, other currencies tend to weaken against it.

The **Japanese yen** weakened to 157.19 Yen for the Dollar from 153.57 Yen for the Dollar last week, recording its lowest level in two weeks, despite the Bank of Japan raising interest rates by 0.25% to 1.25%, as the move was already priced in by markets.

In contrast, the **Chinese Yuan** strenghtened this week to 6.7014 CNY for the dollar from 6.7083 CNY for the dollar last week. This rise comes as the offshore yuan hit its highest level since July 2022, reinforced by the central bank's firmer fixing. The People's Bank of China set the daily midpoint at 6.7521 per dollar, extending its upward bias for the eighth straight session, the longest streak since 2023. The central bank's stronger yuan stance ahead of the September 24 Trump–Xi meeting signaled growing tolerance for currency appreciation, a move that could ease trade frictions as Western officials argue an undervalued yuan benefits Chinese exporters.

In addition, China expanded its central clearing system this week to include spot yuan transactions against the Singapore dollar, New Zealand dollar, and Thai baht. The move, announced by the Shanghai Clearing House on September 14, supports Beijing's push to internationalize the yuan further and broaden foreign-exchange clearing coverage, while promoting Belt and Road currency development in the interbank market.

MENA Forex Market

	18/09/2026	11/09/2026	% Change	Status
Egyptian Pound (USD/EGP)	52.08	51.31	1.50%	Weakened
Turkish lira (USD/TRY)	48.7793	48.5546	0.46%	Weakened
Syrian Pound (USD/SYP)	121.52	121.52	0.00%	Stabilized
Iranian Rial (USD/IRR)	1,374,100	1,374,100	0.00%	Stabilized
Kuwaiti Dinar (USD/KWD)	0.30730	0.30660	0.23%	Weakened
Moroccan Dirham (USD/MAD)	9.5061	9.4132	0.99%	Weakened
Tunisian Dinar (USD/TND)	2.9090	2.8884	0.71%	Weakened
Algerian Dinar (USD/DZD)	133.5812	132.6160	0.73%	Weakened

*Prices are as of the time of writing this report

N.B.:

- Saudi Riyal, UAE Dirham, Qatari Riyal, Bahraini Dinar, and Omani Rial are all pegged to the US dollar.
- The Kuwaiti Dinar is pegged to a basket of currencies that includes the dollar.
- Outside the GCC, the Iraqi Dinar and the Jordanian Dinar are also pegged to the US dollar.

In MENA markets, currencies either weakened or held steady as the dollar strengthened this week. Persistent geopolitical risks in the region further weighed on FX, curbing inflows from trade and tourism while driving short-term investor capital toward safe havens such as the dollar.

Commodities

	Currency	18/09/2026	11/09/2026	% Change
Gold (Spot)	USD	4,364.38	4,348.72	0.36%
Silver (Spot)	USD	66.62	64.48	3.32%
Brent Crude Oil	USD	103.57	104.61	-0.99%
WTI Crude Oil	USD	100.97	100.05	0.92%

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In commodity markets, **gold** rallied by 0.36% this week to reach \$4,364 per ounce, while **silver** surged by 3.32% to \$66.62 per ounce. These moves came despite the Fed raising rates by 25 bps this week which usually drive investors away from the non-yielding metals. However, U.S. Treasury yields fell across maturities after Fed's move which eased some pressure on precious metals. The decline in Brent oil prices further supported metals this week by easing inflationary pressures.

In oil markets, **Brent** dropped by 1% while **WTI** rose by 1%. Oil prices initially rose this week on the disruption of a Saudi pipeline, before later retreating on expectations of its imminent restart and increased flows through Hormuz. Saudi Arabia said it is restoring flows through the East–West pipeline to its Red Sea coast after a precautionary shutdown, aiming to bring back about half of its capacity within days, according to Bloomberg. At the same time, some tankers continue to transit the Strait of Hormuz despite tensions.

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For your Queries:

BLOM Bank s.a.l.

Research Department

Zaituna Bay

POBOX 11-1540 Riad El Soloh

Beirut 1107 2080 Lebanon

Mira Said

mira.said@blom.com.lb

Research Department

Tel: +961 1 991 784

research@blom.com.lb

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