

## Markets Update

Tuesday, 02 September 2025

### Key news

- Sterling strengthened on Monday against a weakening US dollar, however, has opened this morning very much under pressure on an aggressive downward trend against Euro and US dollar. The yield on 30-year government bonds rises to the highest level since 1998, according to Tradeweb and this has created UK fiscal concerns.
- In the US, The Federal Reserve's target for its main interest rate is 4.25% to 4.5%, however President Trump is pushing to have this reduced to less than 1%. Interest rates have been left on hold since December last year due to on-going concerns about US inflation with a cut widely expected late September. Christine Lagarde, the head of the European Central Bank has cautioned that if President Trump were to undermine the independence of the US Federal Reserve, it would pose a "very serious danger" to the global economy.
- In the Eurozone, flash inflation figures for August are due out today. Following the lower-than-expected inflation in France, Spain and Italy analysts anticipate Euro area inflation to come in at 2.0% compared to the expected 2.1%
- In Asia, analysts say Chinese President Xi and Indian Prime Minister Modi are uniting against pressure from the West, days after U.S. President Trump imposed a total of 50% tariff on Indian goods, in response to India's purchase of Russian oil.

### Upcoming Events Today

Eurozone Inflation Figures  
U.S. Manufacturing index

### Market Rates

Market rates at opening

GBP/USD	1.3432
GBP/EUR	1.1513
EUR/USD	1.1666
EUR/GBP	0.8685
GBP/AUD	2.0621
GBP/CAD	1.8496
GBP/CHF	1.0780
GBP/DKK	8.5933
GBP/HKD	10.4828
GBP/JPY	199.5600
GBP/NOK	13.4489
GBP/NZD	2.2914
GBP/SEK	12.6537
USD/CNY	7.1473

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