Danske Bank Markets in Northern Ireland

Danske Bank

Markets Update

Thursday, 20 August 2026

- The U.S. dollar is hovering near a three-month low this morning after the Treasury Department moved to calm turmoil in the bond market, where a sell-off had pushed long-dated yields to their highest levels since 2007 and weakened support for the greenback. The dollar index, which tracks the U.S. currency against six major peers, stood at 98.854, close to its weakest level since mid-May. The euro traded at USD 1.1675, near its highest level since late May.
- Total U.S. debt has topped USD 40 trillion for the first time, the Treasury Department said yesterday, prompting fresh warnings that a fiscal crisis may be building as rising costs for social safety-net programmes and interest payments continue to outpace revenues constrained by tax cuts. The Treasury's latest daily cash and debt balances statement showed total public debt outstanding at USD 40.047 trillion on Tuesday. That total includes USD 32.266 trillion in Treasury securities held by the public and USD 7.782 trillion in intra-governmental debt holdings.
- Yesterday in the US, the FOMC minutes from the July meeting contained no major surprises. Views on inflation were divided, with "many" participants judging that further policy tightening would likely be necessary if inflation failed to decline.
- Also yesterday in the euro area, final inflation data confirmed the flash estimate of 2.9% year-on-year, with core inflation at 2.5% year-on-year. Underlying inflation measures were broadly unchanged, with only small increases, suggesting inflation remains fairly sticky, although price pressures have not risen significantly following the energy shock.
- Today, the main focus will be the ECB minutes from its July meeting, due to be published later, at which policy rates were left unchanged. We expect the minutes to show a bias towards a rate hike in September, which is also fully priced in by markets.

Market rates at opening	
GBP/USD	1.3610
GBP/EUR	1.1652
EUR/USD	1.1675
EUR/GBP	0.8578
GBP/AUD	1.9117
GBP/CAD	1.8761
GBP/CHF	1.0883
GBP/DKK	8.7107
GBP/HKD	10.6757
GBP/JPY	215.76
GBP/NOK	12.6824
GBP/NZD	2.2865
GBP/SEK	12.8364
USD/CNY	6.7236

CONTACT INFORMATION

Contact Markets on 028 9089 1111 / 028 9089 1100

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