

Markets Update

Monday, 11 May 2026

- Japan's Prime minister Sanae Takaichi has landed herself in contraction as she is deploying subsidies to tackle inflation, which is getting worse due to the Middle East conflict, while officials defend the yen from depreciation due to concerns on her fiscal spending. Many analysts believe the only way to conquer the inflation pressure is to artificially prop up the yen, however to meet the IMF's criteria of running a "free floating exchange rate regime," intervention can only happen twice more between now and November. US Treasury Secretary Scott Bessent will land in Tokyo on Monday to discuss the yen's weakness with Japan.
- USD experienced a slight revival overnight regaining some safe-haven demand driven by a shaky US-Iran ceasefire. GBP/USD was hugging 1.3600 this morning and EUR/USD was slightly lower at 1.1768. With the US Fed split in their recent vote on interest rates, traders are viewing the hawkish tone of some of the members as a positive for USD. Add in to this resilient economic data and the stalemate in the Middle East, some analysts are predicting a rally in the USD this week.
- In the UK, the Labour party suffered the worst municipal losses for a governing party in local election since 1995. This has led to calls for a challenge to Keir Starmer's leadership and should that progress this week, markets will be nervous about the short-medium term outlook for GBP. So far GBP remains relatively unscathed and against EUR, it sits around 1.1550.
- Economic data heats up on Wednesday with Euro employment, industrial production and GDP figures released. The following day will see a busy day in the UK with GDP, Services, Industrial output, and manufacturing figures all released. Also on Thursday, US Retail sales and jobless claims will be released.

Market rates at opening

GBP/USD	1.3600
GBP/EUR	1.1557
EUR/USD	1.1768
EUR/GBP	0.8652
GBP/AUD	1.8782
GBP/CAD	1.8590
GBP/CHF	1.0578
GBP/DKK	8.6365
GBP/HKD	10.6467
GBP/JPY	213.6100
GBP/NOK	12.4815
GBP/NZD	2.2860
GBP/SEK	12.5625
USD/CNY	6.7953

CONTACT INFORMATION

Contact Markets on 028 9089 1111 / 028 9089 1100

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EMAIL: markets@danskebank.co.uk

WEBSITE: www.danskebank.co.uk

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