

Markets Update

Thursday, 19 June 2025

Key news

Market rates at opening

- The dollar has strengthened, supported by safe-haven demand amid concerns of a wider conflict in the Middle East and potential U.S. involvement. Investors also considered Federal Reserve Chair Jerome Powell's cautious remarks on inflation yesterday. Powell stated that goods price inflation is expected to rise during the summer as Trump's tariffs begin to affect consumers.
- As anticipated, the Fed maintained steady rates, with policymakers indicating an expectation to reduce rates by half a percentage point this year. However, there was not unanimous agreement on the necessity for rate cuts.
- U.S. markets are closed today in observance of the federal Juneteenth holiday.
- Later today, the Bank of England is anticipated to maintain the Bank rate at 4.25%, in accordance with market and consensus expectations, as it assesses whether the economy and inflation will continue to weaken or if the country could encounter an energy price shock due to the Israel-Iran conflict.
- In May, British inflation eased slightly following a rise in April, with a more significant decrease in price growth in the services sector, which is crucial for the Bank of England. Wage growth also decelerated, and there are additional indications of a weakening job market.

GBP/USD	1.3415
GBP/EUR	1.1698
EUR/USD	1.1466
EUR/GBP	0.8552
GBP/AUD	2.0726
GBP/CAD	1.8390
GBP/CHF	1.1007
GBP/DKK	8.7205
GBP/HKD	10.5238
GBP/JPY	194.83
GBP/NOK	13.4214
GBP/NZD	2.2433
GBP/SEK	12.9616
USD/CNY	7.1893

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