

Markets Update

Wednesday, 25 June 2025

Key news

- The de-escalation of the Israel-Iran conflict yesterday, led to energy prices falling sharply. There is an easing of fear that Iran will close the Strait of Hormuz, reducing the worry of disruption in Global Oil and Gas supply.
- USD lost its gains from earlier in the week, with GBP/USD breaking 1.3600 and EUR/USD staying above 1.1600. However, Markets feel that USD could edge higher again following a cautious stance on interest rate cuts from US Federal Reserve chair Jerome Powell. He appeared to pour cold water on a rate cut in July, and it is now looking likely that the next cut could be as far as December.
- GBP/EUR – rebounded back over 1.1700 yesterday and has held overnight, along with the geopolitical issues, Bank of England Policy maker Megan Greene said yesterday that “inflation in the UK could prove to be a longer lasting plateau”. Greene voted to hold rates last week and she added that conflicting signals from economic data meant she was in no hurry to resume voting for rate cuts.
- Very quiet today in terms of macroeconomic data, however the markets are keeping a close eye on the NATO Summit, especially around the announcements on UK defence spending.

Market rates at opening

GBP/USD	1.3624
GBP/EUR	1.1745
EUR/USD	1.1603
EUR/GBP	0.8514
GBP/AUD	2.0945
GBP/CAD	1.8702
GBP/CHF	1.0960
GBP/DKK	8.7611
GBP/HKD	10.7018
GBP/JPY	198.00
GBP/NOK	13.7898
GBP/NZD	2.2600
GBP/SEK	12.9830
USD/CNY	7.1709

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