

Markets Update

Tuesday, 20 January 2026

Key news

- Risk appetite was low yesterday with global stocks dropping and the dollar weakening after Trump doubled down on his threat of additional tariffs on goods imported from European nations that stand opposed to his planned takeover of Greenland.
- Gold and silver prices scaled new highs, while oil dipped on concerns about what a possible trade war between US and Europe could mean for global growth and demand. UK PM Keir Starmer called for calm discussions surrounding Greenland, while European allies prepared potential retaliatory measures. This flurry of geopolitical drama has seen the greenback lose ground as investors moved away from US assets.
- This morning, the latest UK labour data released from the ONS revealed that company payrolls continued to fall – down 135k in the three months to November – with a particular decline in shops and hospitality. Encouragingly for the BoE, the pace of pay growth in the private sector slowed to its lowest rate in 5 years which should help in getting overall inflation closer to its 2% target.
- Elsewhere, the latest German ZEW indicator for January is released today. The assessment of the current situation remains low while expectations for future growth have improved slightly in recent months. Overall, markets are pencilling in a slight tick up in the index for January.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3479
GBP/EUR	1.1524
EUR/USD	1.1696
EUR/GBP	0.8677
GBP/AUD	2.0001
GBP/CAD	1.8649
GBP/CHF	1.0686
GBP/DKK	8.6100
GBP/HKD	10.5107
GBP/JPY	213.1500
GBP/NOK	13.5145
GBP/NZD	2.3078
GBP/SEK	12.3627
USD/CNY	6.9603

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