

## Markets Update

Monday, 08 June 2026

- The dollar hovered near a two-month high after Friday's stronger-than-expected May jobs report prompted traders to ramp up bets on a Federal Reserve rate hike this year. Against the dollar, the euro slipped to a two-month low of 1.1507, while sterling struggled near a three-week trough of 1.3316. Markets are now pricing in a more than 70% chance of a Federal Reserve rate hike in December, up sharply from about 45% a week earlier, according to the CME FedWatch tool.
- Britain, Germany and France on Sunday backed talks between Ukrainian President Volodymyr Zelenskiy and Russian President Vladimir Putin to seek a ceasefire, saying Europe would be involved. In a joint statement, British Prime Minister Keir Starmer, German Chancellor Friedrich Merz and French President Emmanuel Macron welcomed Zelenskiy's call to end the war and his proposal for direct talks with Russia, with active US and European participation.
- Israel said today it struck a petrochemical plant in southwest Iran and other military targets, after reports that US President Donald Trump had urged Prime Minister Benjamin Netanyahu to limit further attacks. Yemen's Iran-backed Houthi movement vowed to block Israeli shipping in the Red Sea and claimed responsibility for the first missile attack on Israel since the ceasefire, prompting Israel to activate its air defences. It is the first time Iran and Israel have struck each other's territory since the ceasefire came into force two months ago.
- Looking ahead to the coming week, the key market focus is Thursday's ECB meeting, where both we and markets expect a 25bp rate hike. On the data front, the May US CPI report is due on Wednesday, followed by final euro area inflation data on Friday.

### Market rates at opening

GBP/USD	1.3325
GBP/EUR	1.1570
EUR/USD	1.1516
EUR/GBP	0.8640
GBP/AUD	1.8903
GBP/CAD	1.8594
GBP/CHF	1.0632
GBP/DKK	8.6476
GBP/HKD	10.4450
GBP/JPY	213.59
GBP/NOK	12.5937
GBP/NZD	2.2967
GBP/SEK	12.6085
USD/CNY	6.7660

## CONTACT INFORMATION

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