

Markets Update

Monday, 06 October 2025

Key news

- Over the weekend, news in Japan that the governing Liberal Democratic Party chose a new president who is likely to become the new PM garnered some attention. Abeconomics loyalist Sane Takaichi was elected as party leader and will now try to form a coalition in the lower house to become the first female PM in Japan. Takaichi has previously been critical on Bank of Japan hikes, which is reflected in BofJ pricing and yen this morning.
- Elsewhere, in the Israel – Palestine conflict, Hamas has accepted key elements of Trump’s 20 point Gaza peace deal, including a ceasefire and Israel’s initial withdrawal. However, critical issues, such as Hamas willingness to disarm, remain unresolved. High stakes talks between delegates from Hamas, Israel, Qatar and the US are set to take place in Egypt today to finalise the plans implementation.
- Focus today will be on the euro area where we have August retail sales and October Sentix confidence numbers. Consumers in the EU block have been cautious recently and retail sales will show if that persisted in August. The Sentix Investor confidence indicator is expected to show an improvement
- Looking ahead to this week in terms of economic data, it appears to be a very light calendar with no tier 1 global economic data scheduled although we might get the delayed US labour market report if the US government shutdown ends. The highlight may well be the Fed minutes(due midweek) from the last meeting of the Fed in the US where the FOMC voted to cut rates.

Market Rates

| CCY pair | Market rate at opening |
|----------|------------------------|
| GBP/USD | 1.3453 |
| GBP/EUR | 1.1491 |
| EUR/USD | 1.1707 |
| EUR/GBP | 0.8702 |
| GBP/AUD | 2.0342 |
| GBP/CAD | 1.8758 |
| GBP/CHF | 1.0729 |
| GBP/DKK | 8.5788 |
| GBP/HKD | 10.4690 |
| GBP/JPY | 201.8200 |
| GBP/NOK | 13.3539 |
| GBP/NZD | 2.3053 |
| GBP/SEK | 12.6235 |
| USD/CNY | 7.1200 |

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