

Markets Update

Thursday, 21 August 2025

Key news

- In terms of currencies, yesterday turned out to be less volatile than expected following the inflation figures in the UK. Despite an initial jump in GBP/EUR after the figures were released, the currency pair settled around 1.1550. GBP/USD has however retracted over 1 cent this week settling around 1.3450. EUR/USD seems to be holding firm over 1.1600, though is currently trading at the lower end of this.
- Looking to the US, more worries that the US FED may be losing its independent status with President Trump now calling for another resignation in the committee. Trump feels that Lisa Cook should resign following allegations of Mortgage fraud. Many of his opposing politicians feel he is using this to try to gain more influence on the US Fed and this developing story could cause volatility for the US Dollar.
- With the US Fed's annual conference taking place, many believe that Jerome Powell eighth and last Annual speech could pack a punch. Although rather Hawkish in his outlook recently, there are expectations for Powell to signal Interest Rate cuts on September following the recent labour market statistics, which again could cause traders to relook at their view on USD. His previous 7 speeches caused significant market movements, and it is one traders will not miss.
- Purchasing Managers Index Figures are out in Europe, UK and US today, with growth in Europe expected to be weaker for the second half of the year.

Market Rates

Market rates at opening

GBP/USD	1.3452
GBP/EUR	1.1543
EUR/USD	1.1652
EUR/GBP	0.8663
GBP/AUD	2.0943
GBP/CAD	1.8667
GBP/CHF	1.0830
GBP/DKK	8.6152
GBP/HKD	10.5080
GBP/JPY	198.4600
GBP/NOK	13.7033
GBP/NZD	2.3108
GBP/SEK	12.8938
USD/CNY	7.1764

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