

Markets Update

Friday, 06 February 2026

- Following both Bank of England and European decisions yesterday, the markets are still digesting the press conferences after the decisions rather than the decisions themselves. Markets now believe that due to positive factors in the European economy, the ECB interest rate could stay at 2% throughout 2026 and 2027.
- Bank of England however moved to a surprise doveish tone, highlighting that the UK outlook shows lower growth and inflation. Markets have now priced in a cut in the next BOE meeting on 19th March.
- In the last two sessions GBP/USD has fallen by 1.2% signalling a clear bearish bias in the short term. If uncertainty persists surrounding BOE policy, selling pressure should remain and analysts believe that GBP/USD will trade around 1.35 – 1.36.
- GBP/EUR has recovered slightly this morning as Germany industrial output was surprisingly much lower than expected. The currency pair trading just above 1.1500 early in the session following a low of 1.1467 yesterday.
- The US Jobs Report, including nonfarm payrolls, that was up for release today has been postponed to Wednesday next week due to past weekend's government shutdown.

Market rates at opening

GBP/USD	1.3567
GBP/EUR	1.1507
EUR/USD	1.1790
EUR/GBP	0.8690
GBP/AUD	1.9484
GBP/CAD	1.8565
GBP/CHF	1.0548
GBP/DKK	8.5926
GBP/HKD	10.5985
GBP/JPY	212.7600
GBP/NOK	13.2263
GBP/NZD	2.2689
GBP/SEK	12.2851
USD/CNY	6.9399

CONTACT INFORMATION

Foreign Exchange & Treasury deposits: 028 9089 1111 / 028 9089 1100
Structured Term Loans: 028 9004 9617/028 9004 9602

EMAIL: markets@danskebank.co.uk

WEBSITE: www.danskebank.co.uk

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