

Markets Update

Wednesday, 22 April 2026

Key news

- This morning's UK inflation numbers have printed in line with market expectations as the initial impact of the war in the Middle East on fuel prices has fed through to the headline numbers.
- Prior to the war, inflation had been trending downwards, and the Bank of England had expected it to reach its 2% target in April. Today's number saw the annual rate of inflation increase to 3.3%, up from 3.0% in February with many analysts now expecting it to peak closer to 3.5% to 4% this year. The recent tailing off in oil prices will be welcomed by Bank of England officials but the recent spike in fuel prices is expected to take a number of months to fully feed into the wider economy.
- The reaction to the increase in the UK inflation number has been relatively muted on the currency markets with the pound only making marginal gains against the Euro and US dollar. The pound has moved from the below side to the upper side of €1.15 against the euro whilst gaining c0.15% against the dollar and currently trades closer to \$1.3520. The impact on interest rates has also been muted with longer term interest rates only marginally higher. Bank of England policymakers have recently indicated that they wouldn't make a snap decision on interest rate policy until the picture becomes clearer on the longer-term impact on the inflation outlook.
- Eurozone consumer confidence numbers for April are the only other item of note today and not surprisingly they are expected to contract further.
- Elsewhere, Donald Trump extended the ceasefire with Iran indefinitely after Iran refused further negotiations due to unreasonable US demands.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3516
GBP/EUR	1.1505
EUR/USD	1.1751
EUR/GBP	0.8693
GBP/AUD	1.8856
GBP/CAD	1.8455
GBP/CHF	1.0540
GBP/DKK	8.5960
GBP/HKD	10.5840
GBP/JPY	215.18
GBP/NOK	12.5833
GBP/NZD	2.2841
GBP/SEK	12.3736
USD/CNY	6.8205

CONTACT INFORMATION

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