

## Markets Update

Monday, 06 July 2026

- The pound was on track on Friday for its strongest weekly gain against the US dollar in 12 weeks, supported by easing domestic political concerns and weaker-than-expected US labour market data. Sterling was up 0.1% at USD 1.3357, bringing its weekly gain to 1.2% – its largest rise against the dollar since early April. The dollar weakened after the US economy added fewer jobs than expected last month, reducing expectations of further interest rate increases by the Federal Reserve. UK markets had previously shown signs of unease after Andy Burnham, the only Labour lawmaker to express interest in replacing outgoing Prime Minister Keir Starmer, gained support for a potential leadership challenge.
- German industrial orders increased more than expected in May, supported by a rise in large-scale orders. Industrial orders were up 1.9% month on month on a seasonally and calendar-adjusted basis, the federal statistics office said this morning.
- The Bank of England may provide support to the UK government bond market this week and help reduce public borrowing costs by more than GBP 1 billion annually, according to banks. However, some former regulators caution that amending the rules to enable this could heighten financial stability risks. The BoE is assessing the operation of its leverage framework, which banks say makes holding government debt less attractive, following the easing of its main capital requirement in December. The central bank is expected to provide an update in its semi-annual Financial Stability Report, due for release tomorrow morning.
- Looking ahead to the week, the macroeconomic calendar is relatively light. In the US, the key release will be the June ISM Services Index, an important data point for expectations around the Federal Reserve's interest rate path. In the euro area, May retail sales figures are due.

### Market rates at opening

GBP/USD	1.3340
GBP/EUR	1.1670
EUR/USD	1.1423
EUR/GBP	0.8560
GBP/AUD	1.9241
GBP/CAD	1.8962
GBP/CHF	1.0743
GBP/DKK	8.7272
GBP/HKD	10.4611
GBP/JPY	216.35
GBP/NOK	13.1044
GBP/NZD	2.3450
GBP/SEK	12.8821
USD/CNY	6.7921

## CONTACT INFORMATION

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