Danske Bank Markets in Northern Ireland

Markets Update

Thursday, 12 November 2026

- **FX Snapshot - GBP/EUR, GBP/USD & EUR/USD.** GBP/USD is around 1.3270 versus 1.3440 on Monday; GBP/EUR is near 1.1970 and EUR/USD 1.1090. EUR/USD hit an 18-month low below 1.1100, mainly reflecting dollar strength after Tuesday's above-forecast US CPI.
- **UK GDP - Q3 growth reaches 0.7%.** UK GDP grew 0.7% quarter-on-quarter in Q3 2026, matching Reuters consensus, up from 0.5% in Q2 and the fastest since Q1 2024. The ONS cited services as the main driver, with AI-linked businesses partly behind computer programming's strongest growth in three years. September GDP rose 0.2%, but falling retail volumes and the sharpest consumer confidence decline since April 2020 suggest slower Q4 growth as energy prices and borrowing costs weigh.
- **US Dollar - CPI lifts Fed hike expectations.** The dollar index hit a 19-month high on Wednesday after above-forecast October CPI: headline inflation was 0.4% m/m and core 0.3%. Markets fully price in a 25bp Fed hike on 09 December, with a 13% chance of 50bp. Governor Waller said core CPI of at least 0.3% could warrant a larger hike; Chicago Fed President Goolsbee called the data "borderline disturbing." Despite a high bar for 50bp, hawkish rhetoric has widened the US rate advantage, pressuring EUR/USD and GBP/USD.
- **Central Banks - BoE tightens; ECB hike expected.** Following last week's rate hike, NIESR forecasts UK inflation peaking at 4.4% in February 2027, returning to the 2% target no earlier than late 2030, reinforcing BoE hike expectations. Markets see a December ECB hike as almost certain after Chief Economist Lane called it "prudent" if data remain broadly unchanged. Analysts see European inflation as more energy-driven than US inflation.
- **Data Calendar –** Following this morning's major UK releases, attention turns to US initial jobless claims at 13:30 GMT. After last week's stronger non-farm payrolls figure, markets expect the release to reinforce USD strength.

Market rates at opening	
GBP/USD	1.3273
GBP/EUR	1.1967
EUR/USD	1.1091
EUR/GBP	0.8355
GBP/AUD	1.9450
GBP/CAD	1.8918
GBP/CHF	1.1036
GBP/DKK	8.9456
GBP/HKD	10.4116
GBP/JPY	211.9700
GBP/NOK	12.6757
GBP/NZD	2.3902
GBP/SEK	13.2239
USD/CNY	6.6685

CONTACT INFORMATION

Contact Markets on 028 9089 1111 / 028 9089 1100

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EMAIL: **markets@danskebank.co.uk** ***WEBSITE:*** **www.danskebank.co.uk**

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