

Markets Update

Monday, 02 March 2026

- Macro-Economics will likely take a backseat this week in the markets following the weekends escalation in the Middle East. With the US-Israeli led incursion into Iran and the subsequent retaliation around the Gulf states, the geopolitical story will gain momentum throughout this week.
- As markets would expect, Oil price has surged, with the Strait of Hormuz at a standstill and attacks on major Aramco sites in Saudi Arabia, the worry will be that recent relatively calm energy market will change quickly, and this could cause large inflationary pressures. This may mean that Bank of England may have to rethink its plan of dropping interest rates in the meeting on the 19th of this month.
- Safe-Haven currencies and commodities have gained strength as expected overnight, with Swiss Franc and Gold two of the major winners. USD has also gained a degree of strength and GBP/USD is now at lower 1.33 levels and EUR/USD is back and forth at the 1.1700 barrier.
- GBP/EUR seems to be holding just below 1.1400 level, with the worries over oil price adding to inflation worries. EUR is encountering pressure against a basket of currencies, due to fears of disruption to its energy supply in Europe.
- Though as mentioned the data this week may not have the impact expected, we do have in the Euro zone unemployment (WED) retail sales (THUR) & GDP (FRI). In US we have manufacturing figures (MON), jobless claims (THUR) & non-farm payrolls (FRI).

Market rates at opening

GBP/USD	1.3350
GBP/EUR	1.1388
EUR/USD	1.1722
EUR/GBP	0.8780
GBP/AUD	1.8889
GBP/CAD	1.8246
GBP/CHF	1.0315
GBP/DKK	8.5088
GBP/HKD	10.4426
GBP/JPY	209.5600
GBP/NOK	12.7154
GBP/NZD	2.2456
GBP/SEK	12.2161
USD/CNY	6.8827

CONTACT INFORMATION

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