

Markets Update

Tuesday, 17 February 2026

Key news

- Sterling was pretty much range bound yesterday (*pretty flat, like a pancake*) as the pound struggled for direction against the dollar and single currency. Markets didn't push the pound either direction as they waited for the latest batch of UK economic data this week which could help the BoE decide the pace and depth of any rate cuts this year.
- This morning, the latest UK employment figures are hot off the press and these have revealed that the unemployment rate hit a near five year high in the last three months of 2025, climbing to 5.2% according to the ONS, a slight uptick from the previous figures. Released alongside the employment data, wage growth grew 4.2% which marks a slowdown in the same period.
- Looking ahead to today, markets will spend some time digesting the latest employment numbers from this morning and will be second guessing what the inflation numbers may look like tomorrow and what it may mean for the BoE when it sets the benchmark interest rate next month. As it currently stands, markets are currently pricing in one, maybe two cuts this year but as the Governor of the BoE has repeatedly said, it will be very much data dependant, so nothing is guaranteed.
- Elsewhere, markets will be keeping an eye to the German ZEW survey. The previous report showed a rebound in expectations in January which is a positive sign for the economy. Recent industrial orders have also rebounded, highlighting tentative signs of a recovery taking shape in Germany hence the expectation is a further improvement in the February data.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3578
GBP/EUR	1.1470
EUR/USD	1.1837
EUR/GBP	0.8718
GBP/AUD	1.9211
GBP/CAD	1.8524
GBP/CHF	1.0451
GBP/DKK	8.5678
GBP/HKD	10.6100
GBP/JPY	207.7160
GBP/NOK	12.9246
GBP/NZD	2.2503
GBP/SEK	12.1757
USD/CNY	6.9032

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