Markets Update

Friday, 28 November 2025

- First, we had the UK Budget leak, then we had the Budget itself and now the markets have digested the "smorgasbord" of tax hikes and increased welfare costs for the UK. Investor focus has now shifted back to economic fundamentals, with some market participants questioning whether the fiscal tightening announced on Wednesday will ever be implemented.
- Elsewhere in the euro area, the minutes from the last ECB meeting were published and didn't reveal much new information. Overall, the wording was very balanced with ECB members not appearing to be in a rush to change policy rates, preferring to wait for additional data.
- Looking at the currencies yesterday, the pound snapped its recent rally and gave ground to both the dollar and single currency. Lingering concerns about UK growth and the future direction of BoE on its benchmark interest rate kept the pound under pressure. The greenback itself edged up against its major peers on Thursday, stopping what could be its largest weekly decline since early summer.

Market rates at opening	
GBP/USD	1.3212
GBP/EUR	1.1411
EUR/USD	1.1578
EUR/GBP	0.8762
GBP/AUD	2.0248
GBP/CAD	1.8546
GBP/CHF	1.0642
GBP/DKK	8.5225
GBP/HKD	10.2839
GBP/JPY	206.5400
GBP/NOK	13.4511
GBP/NZD	2.3124
GBP/SEK	12.5472
USD/CNY	7.0777

Upcoming Events

- Focus today will be on inflation flash estimates for the big European countries (Germany, France, Italy & Spain).

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