

## Markets Update

Tuesday, 01 July 2025

### Key news

- Dollar weakness remains the key theme this week with the greenback near multi month lows against most currency pairs. Versus the pound, cable is remaining steady, not far from a three and a half year high it touched last week.
- Market sentiment in the US remains low as President Trump's spending bill has stoked fiscal worries while uncertainty around trade deals continues to drag on sentiment.
- Market participants are also questioning the pace of monetary easing by the Fed this year with investors eyeing a slew of US economic data this week culminating with a day earlier release of the US Non Farm payrolls on Thursday ( *US Markets closed for Independence Day 4<sup>th</sup> July*).
- Looking ahead to today, it appears to be a light data day in the UK with no major economic data due to be released. In the euro zone, flash inflation for June is due to be published with the consensus is for the headline rate to inch higher to 2% and for the core rate to remain at 2.4%.
- Elsewhere, a panel discussion in Spain between the heads of the ECB, Fed, BoE and BoJ is taking place at the ECB Forum on Central Banking will attract some attention. Finally, it is worth keeping an eye on the ongoing trade negotiations in the US and the debate in the US Senate regarding the One Big Beautiful Bill Act will be in focus.

### Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3755
GBP/EUR	1.1671
EUR/USD	1.1784
EUR/GBP	0.8567
GBP/AUD	2.0902
GBP/CAD	1.8713
GBP/CHF	1.0874
GBP/DKK	8.7078
GBP/HKD	10.7968
GBP/JPY	197.0170
GBP/NOK	13.8399
GBP/NZD	2.2531
GBP/SEK	13.0066
USD/CNY	7.1622

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