

Markets Update

Thursday, 12 March 2026

Key news

- The fluctuation in oil price continues to dominate financial markets. Sterling inched higher on Wednesday in a session where market analysts weighed up the fears of an oil supply shock from the ongoing conflict in the Middle East against the potential release of strategic oil reserves.
- The ongoing conflict has shifted the focus away from the myriad of UK economic and political risks that have weighed on the pound in recent weeks and it worth noting that local elections in the UK are set for May. Here, PM Starmer's Labour government is set to face a tough test and may well bring political uncertainty back to the forefront.
- Back to the Middle East conflict, Iran has reportedly fired at Israel and key targets in the Middle East, along with attacking ships on the Strait of Hormuz demonstrating that Tehran is still capable of fighting back and disrupting energy supplies dispute the most intense bombardment from both the USA and Israel. Overnight, the IEA has announced a record release of 400 million barrels from its oil reserves, however this has failed to calm the markets likely because the decision was anticipated and lacks detail on the on pace and breakdown of reserve sales.
- The worry in the oil market seems to be both its immediate supply situation and the growing risk of a lasting impact as producers in the region continue to shut down production.
- Today, focus will continue to remain on energy markets as investors look for signs of progress in resolving the Gulf oil disruptions and gauge the impact of the IEA's reserve release.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3384
GBP/EUR	1.1587
EUR/USD	1.1550
EUR/GBP	0.8629
GBP/AUD	1.8758
GBP/CAD	1.8180
GBP/CHF	1.0468
GBP/DKK	8.6571
GBP/HKD	10.4753
GBP/JPY	212.5350
GBP/NOK	12.9253
GBP/NZD	2.2659
GBP/SEK	12.3795
USD/CNY	6.8741

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