

Markets Update

Monday, 19 January 2026

Key news

- Sterling ended the week up against the single currency (*its 5th consecutive weekly rise*) and was a touch higher against the greenback following two consecutive weekly declines after data last week showed the UK economy grew more strongly than expected in November.
- The better than expected GDP print has eased some investor nervousness regarding the latest Budget Statement and the impact it may have on the economy. As it currently stands, markets are currently pricing two quarter point cuts to base rate, with the first due June, although further upbeat data could dampen the likelihood of further cuts.
- Over the weekend, the Greenland debate escalated as President Trump announced tariffs on goods from 8 nations including the UK. The tariffs, set to begin at 10% on 1st February are scheduled to increase to 25% by 1st June unless the US secures a deal to purchase Greenland. In a joint statement, the targeted countries condemned the move, expressing support for Denmark/Greenland and warned of significant risks to transatlantic relations.
- So far the market reaction has been muted, likely due to expectations that the tariffs may be ruled illegal by the US Supreme Court in the coming weeks. Attention now turns to updates from the extraordinary summit of the European Council expected in the coming days, along with developments from the World Economic Forum in Davos which is taking place this week.
- Looking ahead to the week, it appears to be busy in terms of economic releases for the UK. Kicking things off tomorrow we have employment data, followed by CPI numbers on Wednesday and rounding off the week, Friday sees the publication of retail sales as well as PMI preliminary Services and Manufacturing data for January. On a macro level, data appears relatively light with highlights being euro area and US PMI's (both due Friday).
- Note that US markets are closed today for Trading for Martin Luther King Junior Day.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3395
GBP/EUR	1.1526
EUR/USD	1.1621
EUR/GBP	0.8676
GBP/AUD	2.0004
GBP/CAD	1.8603
GBP/CHF	1.0708
GBP/DKK	8.6116
GBP/HKD	10.4435
GBP/JPY	211.7800
GBP/NOK	13.5182
GBP/NZD	2.3195
GBP/SEK	12.3710
USD/CNY	6.9636

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