

Markets Update

Monday, 07 September 2026

- **Tight ranges on FX markets last week** – aside from the Japanese yen, it was a quiet week in terms of significant moves on currency markets. The main move saw the yen appreciate significantly over the week with markets suspecting that there has been further intervention from authorities. Of the limited moves elsewhere, the pound was under some downward pressure whilst the euro closed the week marginally stronger.
- **US Federal reserve outlook** – The early part of last week saw a number of Fed speakers dampen expectations for US interest rate hikes. Friday's key non-farm payrolls unwound those views and raised the probability of a hike later this month when a stronger than expected report (+156K versus a forecasted 56K increase) was revealed.
- **BOE rate hike bets re-priced higher on energy shock.** US-Iran military strikes in the Strait of Hormuz sent oil and gas prices sharply higher last week, pushing traders to reprice Bank of England tightening expectations. Markets are currently pricing approximately 17bps of BOE tightening by November and 31bps by year-end, with front-end gilts bearing the brunt — UK 2-year yields rose a further 4bps to 4.57% this morning.
- **ECB rate decision and US CPI dominate the macro calendar for the week ahead** - The ECB is widely expected to deliver a second consecutive quarter-point rate hike on Thursday, which could put upward pressure on EUR/GBP and tighten the policy divergence narrative with the BOE. US CPI data is also due this week and will shape Federal Reserve expectations — a hotter print could strengthen the dollar and weigh on GBP/USD.

Market rates at opening

GBP/USD	1.3531
GBP/EUR	1.1641
EUR/USD	1.1623
EUR/GBP	0.8590
GBP/AUD	1.8738
GBP/CAD	1.8712
GBP/CHF	1.0957
GBP/DKK	8.7006
GBP/HKD	10.6079
GBP/JPY	210.01
GBP/NOK	12.5648
GBP/NZD	2.3009
GBP/SEK	12.9705
USD/CNY	6.7106

CONTACT INFORMATION

Contact Markets on 028 9089 1111 / 028 9089 1100

We may record or monitor calls to confirm details of our conversations, and for verification and quality purposes. Lines are open 8am to 5pm Monday - Friday except for bank holidays or other holidays in Northern Ireland when the bank is not open for business. Call charges may vary. Please contact your phone company for details. We may record or monitor calls to confirm details of our conversations, and for verification and quality purposes.

EMAIL: markets@danskebank.co.uk

WEBSITE: www.danskebank.co.uk

Issued by Northern Bank Limited trading as Danske Bank (the "Bank" or "We").

So far as the law or regulation allow, We disclaim any warranty or representation as to the accuracy or reliability of the information and statements in this commentary. We will not be liable for any loss or damage suffered from relying on this commentary. This commentary does not purport to contain all relevant information. Recipients should not rely on its contents but should make their own assessment and seek professional advice relevant to their circumstances. This commentary is for information purposes only, is not intended as an offer or solicitation, nor is it the intention of the Bank to create legal relations on the basis of the information contained in it. No part of this commentary may be reproduced without our prior permission.

Danske Bank is a trading name of Northern Bank Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered in Northern Ireland [registered number R568]. Registered Office: Donegall Square West Belfast BT1 6JS. Northern Bank Limited is a member of the Danske Bank Group.