Danske Bank Markets in Northern Ireland

Danske Bank

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**