

Markets Update

Monday, 05 October 2026

Key news

- The latest non-farm payrolls from the US came in lower than expected with the headline figure increasing by 29k jobs, far below the consensus of 90k, while the August numbers were revised downwards. The unemployment rate also increased to 4.2% which was slightly above expectations. The above data releases along with dovish comments from key FOMC members has led markets to cut the probability of an October rate hike to below 20%, down from around 70% last week.
- In the eurozone September inflation increased to 3.8% year on year, marginally above expectations. The upside surprise was driven mainly by energy and food inflation; this increase in inflation supports the case for further ECB tightening, potentially as early as December.
- Looking at the currencies, the euro has given up ground as France remains very much in focus; Sterling starts the week at over €1.18 versus the euro, against the greenback, sterling is currently just over \$1.32.
- Looking ahead to today we get several PMI services data from Europe, including Italy and Spain, as well as final services PMIs from France, Germany and the UK.
- For the remainder of the week, bond spreads in Europe remain a key focus after the French government yield spread to Germany widened to the highest level since 2011. For the remainder of the week, FOMC minutes are published Wednesday followed by ECB minutes on Thursday.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3219
GBP/EUR	1.1807
EUR/USD	1.1196
EUR/GBP	0.8469
GBP/AUD	1.9028
GBP/CAD	1.8857
GBP/CHF	1.0970
GBP/DKK	8.8238
GBP/HKD	10.3727
GBP/JPY	208.5300
GBP/NOK	12.7419
GBP/NZD	2.3640
GBP/SEK	13.3097
USD/CNY	6.7048

CONTACT INFORMATION

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