

## Markets Update

Wednesday, 08 April 2026

### Key news

- In the UK, the latest services PMI data showed the biggest month on month jump in costs in March since 2021, driven by higher energy and transportation costs underscoring the inflationary risks from the Iran war. Overall, the mood in the services sector appears low with service firms citing concerns about the duration of the Iran war and its impact on inflation, supply chains and borrowing costs.
- Overnight, President Trump agreed to a two week ceasefire with Iran just hours before his self-imposed deadline to reopen the Strait of Hormuz. Iran agreed to halt attacks and provide safe passage through the strait, while the US and Israel committed to terms of the truce. Brent crude fell as low as USD92 per barrel on the news, but the drop appears contingent that traffic through the Strait of Hormuz resumes.
- For now the deal looks fragile, particularly as Iran is allowed to charge fees on ships passing though. This morning stock markets have welcomed the news while the greenback weakened on improved risk sentiment. The war is now in its sixth week, and scepticism remains whether the ceasefire will hold as many view it as a trust building exercise. Significant uncertainties persist, and the oil market and broader markets are likely to stay volatile as they monitor activity from the Gulf.
- Looking ahead to today, all focus is on the ceasefire in the Middle East and the impact on energy prices. Tonight, the minutes from the FOMC March meeting are due for release although they may get less attention than usual as the war in Iran was only in its early stages at the time of the meeting.

### Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3425
GBP/EUR	1.1478
EUR/USD	1.1695
EUR/GBP	0.8711
GBP/AUD	1.8991
GBP/CAD	1.8589
GBP/CHF	1.0586
GBP/DKK	8.5774
GBP/HKD	10.5084
GBP/JPY	212.3810
GBP/NOK	12.8741
GBP/NZD	2.3024
GBP/SEK	12.4633
USD/CNY	6.8250

### CONTACT INFORMATION

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