Danske Bank Markets in Northern Ireland

Danske Bank

Markets Update

Wednesday, 22 July 2026

- UK inflation eased more than expected last month, driven by a fall in petrol prices following a brief de-escalation in the Iran conflict. However, the slowdown is likely to offer only temporary relief to new Prime Minister Andy Burnham as he works to reduce living costs. Consumer prices rose by 2.6% year on year in June, the weakest increase since March 2025 and down from 2.8% in May, the Office for National Statistics said this morning. UK inflation was lower in June than in both the United States and the euro area, where it stood at 3.5% and 2.8%, respectively. Investors expect the BoE to keep its benchmark interest rate unchanged at 3.75% next week as it continues to assess the impact of the Middle East conflict.
- In the US, recent attention has centred on inflation updates. However, labour market conditions remain a key factor in determining the Federal Reserve's next move. For now, stable employment is allowing the Fed to focus firmly on its price stability mandate. If the US unemployment rate remains at its current level in July, it could mark the longest post-World War Two period below that threshold, at 58 consecutive months.
- The yen remained close to an almost four-decade low this morning, as rising oil prices and US Treasury yields supported the dollar and kept traders alert to the risk of possible intervention by authorities in Japan. In New York trading yesterday, the yen fell to 163.24 per dollar, its weakest level since late 1986.
- The dollar has strengthened broadly this week, briefly pushing the euro below USD 1.14, where it hovered as US forces carried out an 11th consecutive night of strikes on Iran.

Market rates at opening	
GBP/USD	1.3374
GBP/EUR	1.1729
EUR/USD	1.1413
EUR/GBP	0.8525
GBP/AUD	1.9115
GBP/CAD	1.8855
GBP/CHF	1.0867
GBP/DKK	8.7661
GBP/HKD	10.4938
GBP/JPY	217.98
GBP/NOK	12.8737
GBP/NZD	2.2988
GBP/SEK	12.9956
USD/CNY	6.7738

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