

Markets Update

Monday, 18 August 2025

Key news

- Sterling finished last week on an upbeat tone after positive economic data and a hawkish rate cut by the BoE has led markets to price in slower rate cuts from the central bank going forward, lending support to the pound.
- Elsewhere, US July retail sales came in strong as well as the June numbers being revised up hinting that the US consumer led economy is holding up with solid sales growth being reported in most sectors.
- Staying in the US, President Trump met with President Putin in Alaska to discuss the ongoing conflict in Ukraine. The talks ended earlier than expected and were unsuccessful in making any imminent progress towards a ceasefire – attention now shifts to a scheduled meeting in Washington between President Zelenskiy, President Trump and a group of European leaders to work to bring forth solutions to try and bring an end to the war.
- Looking ahead to this week, the UK economic diary has CPI numbers due Wednesday, public borrowing numbers & PMI data on Thursday, and closing out the week, retail sales data covering July is due out on Friday. This latest batch of data should help to give sterling direction and provide some further insights into the strength of the UK economy.
- In the euro area, inflation numbers for July are published on Wednesday, PMI report for August is due Thursday and wage growth data is scheduled to be released by the ECB on Friday. Across the Atlantic, the Fed's latest minutes of the July FOMC meeting are released on Wednesday evening. Then on Thursday and Friday the Fed's Jackson Hole Symposium will take place with markets honing in on Powells speech on Friday afternoon. On the macro data front, August flash PMI's are due for release on Thursday.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3544
GBP/EUR	1.1589
EUR/USD	1.1686
EUR/GBP	0.8628
GBP/AUD	2.0794
GBP/CAD	1.8690
GBP/CHF	1.0924
GBP/DKK	8.6500
GBP/HKD	10.5944
GBP/JPY	199.5820
GBP/NOK	13.8276
GBP/NZD	2.2821
GBP/SEK	12.9530
USD/CNY	7.1803

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