

Markets Update

Monday, 18 May 2026

Key news

- Geopolitical events continue to dominate the headlines with the UK feeling the effects of both the ongoing crisis in the Middle East alongside growing political unrest at home.
- Recent heavy Labour losses in the UK local elections have seen Andy Burnham seeking a return to parliament. Assuming he can win a tight Makerfield by-election against Reform UK, it could lead to a leadership challenge to Keir Starmer's time in Downing Street. The political unrest has led to sterling weakness and higher gilt yields, which underlines market worries over potential pressure for looser fiscal policy.
- Further afield the US-Iran war continues to underscore the global economic stakes. Eurogroup President Pierrakakis warned ahead of today's G7 finance ministers' meeting that reopening the Strait of Hormuz and securing a lasting ceasefire are vital to contain energy and inflation pressures. Oil prices continue to climb, with Brent crude reaching \$111 per barrel overnight.
- Economic data is light across the board today, but action will pick up from tomorrow in a busy week for the UK. Labour data is scheduled tomorrow morning, with the latest inflation update on Wednesday before Friday's retail sales update for April. PMI data from the UK, US and Eurozone on Thursday will also garner some attention.
- The weaker pound opens below €1.15 against the single currency and close to \$1.3350 against the dollar. The euro has also shed some ground against the broadly stronger dollar as it opens close to \$1.1625.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3353
GBP/EUR	1.1479
EUR/USD	1.1632
EUR/GBP	0.8710
GBP/AUD	1.8666
GBP/CAD	1.8355
GBP/CHF	1.0486
GBP/DKK	8.5794
GBP/HKD	10.4579
GBP/JPY	212.20
GBP/NOK	12.4418
GBP/NZD	2.2817
GBP/SEK	12.6059
USD/CNY	6.8021

CONTACT INFORMATION

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