

Markets Update

Tuesday, 12 August 2025

Key news

- GBP remained steady yesterday against most major currency pairs as markets awaited some key UK data releases due this week.
- This morning the latest jobs data from the Office National Statistics revealed the jobs market has cooled with vacancies falling and the number of people on payrolls dropping as evidence suggests businesses may not be recruiting new workers or replacing those who have left. As a whole, the slowdown in the figures is not as sharp as some analysts had forecast. Worth noting, average wage growth remained at 5% which may cause issues for the Bank of England as it tries to bring inflation back to target.
- In the US, Trump has extended the US-China tariff truce by a further 90 days, delaying triple digit duties until early November. Officials from both countries see this as a big step towards stabilising the global economy and remain cautiously optimistic about reaching a broader trade agreement later this year.
- Staying in the US, focus is on the latest CPI report with headline inflation forecast to be slightly lower than last month albeit core inflation may remain under pressure. With markets now pricing in a September rate cut after a weak jobs report, the CPI will offer crucial insights for the Fed's upcoming decision.
- Closer to home, attention turns to the German ZEW Index for August with markets looking to see how the expectations component of the survey fared in August following the US-EU trade agreement.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3449
GBP/EUR	1.1575
EUR/USD	1.1618
EUR/GBP	0.8638
GBP/AUD	2.0682
GBP/CAD	1.8531
GBP/CHF	1.0892
GBP/DKK	8.6377
GBP/HKD	10.5573
GBP/JPY	199.3610
GBP/NOK	13.7704
GBP/NZD	2.2667
GBP/SEK	12.9642
USD/CNY	7.1899

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