Danske Bank Markets in Northern Ireland

Markets Update

Wednesday, 26 August 2026

Key news

- With little UK centric data to give sterling direction, the pound continued to hold its ground against most currency peers. Versus the dollar, GBP remained near multi month highs as sterling remains supported by expectations for interest rate hikes by the Bank of England later this year as the economy battles sticky inflation and high government debt.
- Overall, global currency markets have held steady as markets have so far largely absorbed *(or ignored*) the latest set of US sanctions on Iran, which excluded China or any of the country's entities that if targeted could potentially spark a retaliation from Beijing.
- Elsewhere, Brent Crude oil fell towards USD86 per barrel on Wednesday, extending losses into a third consecutive session following reports that Iran and Oman discussed the creation of a "joint maritime corridor" in the Strait of Hormuz. Oil prices have come under pressure this week after Washington's latest measures to intensify economic pressure on Iran proved less aggressive than markets had expected.
- Returning to the UK, focus continues to mount on the new PM's budget expected in October. Analysts will be watching to see if Andy Burnham's plans to fund its fiscal policies (*such as yesterday's announcement to spend £10bn on low cost housing in London*) through more borrowing or tax hikes.
- In the US, the July PCE inflation figures will be released in the afternoon. Core inflation remains elevated and was at 3.3% in June.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3636
GBP/EUR	1.1685
EUR/USD	1.1669
EUR/GBP	0.8558
GBP/AUD	1.8998
GBP/CAD	1.8902
GBP/CHF	1.0955
GBP/DKK	8.7350
GBP/HKD	10.6908
GBP/JPY	216.8200
GBP/NOK	12.7360
GBP/NZD	2.2918
GBP/SEK	12.9309
USD/CNY	6.7205

CONTACT INFORMATION

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