

Markets Update

Monday, 09 March 2026

Key news

- The dollar played its safe haven card last week with the pound and single currency trading lower against the greenback as the dollar strengthened more or less across the board amid the Middle East crisis.
- In the UK, rising oil prices have fuelled inflation fears and has prompted a shift in interest rate expectations for this year – markets have now all but ruled out a cut in March with only one cut on the cards by the BoE for the remainder of the year.
- Stateside, the latest non-farm payrolls came in softer than forecast and revealed an unexpected contraction with payrolls dropping 92k and the unemployment rate ticking up to 4.4%. This marks the largest monthly fall since Oct and comes amid concerns that a jump in oil prices could threaten growth. It appears that the Fed is now stuck between whether to reduce interest rates to support the faltering economy or keep rates higher for longer to potentially offset a spike in inflation that is now feared due to the US led conflict against Iran.
- All focus this morning is on the escalating situation in the Middle East and the impact on energy prices. Oil prices have rose sharply on market opening and at the time of writing, Brent crude is up 25%. The increase follows the developments over the weekend where oil producers in the Middle East have started to shut down production amid the halt of tanker traffic through the straits of Hormuz and a large oil depot in Iran was hit by American/Israeli air strikes.
- Looking ahead to the rest of the week, the most important factor to watch is the ongoing conflict against Iran and especially the Hormuz Strait traffic or rather, lack of. In terms of data, US inflation data takes centre stage on Wednesday which is expected to have crept up higher due to an increase in energy costs in February before the current conflict started. In the UK, it appears a relatively light calendar with only monthly GDP numbers due out on Friday.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3325
GBP/EUR	1.1553
EUR/USD	1.1533
EUR/GBP	0.8655
GBP/AUD	1.9054
GBP/CAD	1.8071
GBP/CHF	1.0376
GBP/DKK	8.6305
GBP/HKD	10.4115
GBP/JPY	211.2630
GBP/NOK	12.8281
GBP/NZD	2.2645

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