

## Markets Update

Monday, 04 August 2025

### Key news

- Sterling ended last week on steady ground, having posted its worst monthly performance against the dollar since September 2022.
- The pound was last flat on the day against the dollar, near its lowest since mid-May, having struck a near four-year high of \$1.3787 just a month ago. Against the euro, the pound started the day strong but slipped below €1.15 as the day progressed.
- Analysts believe the main factor weighing on the pound has been the weakening of UK economic data.
- In June, inflation climbed to 3.6%, the highest since January 2024, and some economists predict it could soon reach 4%. In contrast, the European Central Bank expects inflation in the eurozone to stay just below 2%.
- Markets main focus this week will be the Bank of England rate decision on Thursday. The Bank of England is expected to lower interest rates by 0.25% to 4%, marking their lowest level in two and a half years.

### Market rates at opening

GBP/USD	1.3282
GBP/EUR	1.1480
EUR/USD	1.1570
EUR/GBP	0.8710
GBP/AUD	2.0494
GBP/CAD	1.8291
GBP/CHF	1.0726
GBP/DKK	8.5674
GBP/HKD	10.4264
GBP/JPY	196.0900
GBP/NOK	13.6040
GBP/NZD	2.2463
GBP/SEK	12.8412
USD/CNY	7.1773

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