

## Markets Update

Friday, 20 June 2025

### Key news

- The dollar experienced its largest weekly increase in over a month due to growing uncertainties surrounding the ongoing conflict between Israel and Iran, and concerns about its impact on the global economy. This situation has led to increased demand for traditional safe havens like the dollar.
- President Donald Trump said we may need to wait two more weeks until he decides whether to launch a U.S. attack on Iran. In the meantime, markets are mostly breathing a sigh of relief but remain cautious over conflict in the Middle East.
- Several European central banks issued dovish signals overnight. Norway's central bank implemented its first rate cut since 2020. The Swiss National Bank reduced rates to zero, leaving open the possibility of negative rates.
- Yesterday in the UK, the Bank of England maintained its existing policy but suggested that further easing might be necessary.
- Last month, British retail sales volumes experienced their steepest decline since December 2023. This drop followed a previous surge in demand where shoppers spent heavily on food, summer clothing, and home improvements, according to official figures released this morning. Following the release of retail sales data, sterling fell by approximately a quarter of a cent against the U.S. dollar. This occurred alongside government borrowing figures that revealed a budget deficit of GBP 17.7 billion (USD 23.85 billion) for May, which was slightly larger than anticipated.

Market rates at opening	
GBP/USD	1.3474
GBP/EUR	1.1701
EUR/USD	1.1515
EUR/GBP	0.8545
GBP/AUD	2.0789
GBP/CAD	1.8468
GBP/CHF	1.0991
GBP/DKK	8.7288
GBP/HKD	10.5766
GBP/JPY	195.85
GBP/NOK	13.5360
GBP/NZD	2.2466
GBP/SEK	12.9500
USD/CNY	7.1831

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