Markets Update

Tuesday, 15 September 2026

- **GBP/USD softens as markets price in a Federal Reserve rate hike.** Cable is trading around 1.3465 this morning, supported by broad dollar demand ahead of Wednesday's Federal Open Market Committee decision. Markets are pricing a roughly 93% probability of a 25-basis-point rate increase. UK unemployment was unchanged at 4.9% in July, against expectations of a rise to 5.0%. Together with Thursday's inflation release, the data may influence the Bank of England's decision later this week.
- **EUR/USD retreats as eurozone price pressures rise, but the dollar dominates.** EUR/USD is trading near 1.1530 as expectations of Fed tightening outweigh firmer European inflation data. German wholesale prices rose 6.8% year-on-year in August, the fastest pace since February. Today's German ZEW sentiment survey and final French CPI release may further shape expectations for ECB policy.
- **GBP/EUR rises as sterling finds support from relative rate expectations.** GBP/EUR has climbed to around 1.1680, with EUR/GBP near 0.8560. The Bank of England is widely expected to hold rates on Thursday, although oil-driven inflation pressures may increase the risk of a hawkish tilt in its statement.
- **Geopolitical escalation keeps oil above USD 105 and adds to inflation concerns across FX markets.** Brent crude settled at USD 105.68 on Monday and was trading above USD 106.90 this morning following fresh Houthi attacks on Saudi infrastructure and the temporary closure of the kingdom's East–West Pipeline after a drone strike.
- **Central bank week: Fed, BoE and BoJ decisions to set the tone for FX markets.** Three major central bank meetings dominate this week's calendar. Thursday's UK CPI data will be a key input ahead of the BoE decision later that day. The Bank of Japan meets on Friday, with markets expecting a 25-basis-point increase to 1.25%; Japan's 10-year government bond yield has already risen to 3% in anticipation. The combined signals may shape the near-term direction of the dollar, sterling and euro heading into the final quarter.

Market rates at opening	
GBP/USD	1.3465
GBP/EUR	1.1680
EUR/USD	1.1530
EUR/GBP	0.8561
GBP/AUD	1.8908
GBP/CAD	1.8728
GBP/CHF	1.1012
GBP/DKK	8.7258
GBP/HKD	10.5693
GBP/JPY	208.63
GBP/NOK	12.5941
GBP/NZD	2.3385
GBP/SEK	13.1751
USD/CNY	6.7122

CONTACT INFORMATION

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