

## Markets Update

Friday, 15 May 2026

- UK Political turbulence has pushed sterling to levels that has caught technical analysts by surprise. Despite the currency stabilising after the initial market shocks from the war in Iran, markets analysts identified that GBP/USD could not hold over 1.3600 and therefore it was a clear resistance level. GBP/USD has broken below 1.34 overnight and some traders are now predicting through their 200 day moving averages that the currency pair could slide to 1.3322, and possibly as low as 1.3160.
- Last night Labour MP Josh Simons has offered to resign from his seat to allow Manchester Mayor Andy Burnham to run for parliament to allow a challenge to Keir Starmer's premiership. However, the seat is in Makerfield in Greater Manchester, and political analysts are predicting a strong Reform win if voting patterns matched last week's UK elections. This could leave Andy Burnham in a political limbo and also provide even more uncertainty with the Labour government. Analysts believe we could be entering into the next 12 months with a possibility of a general election, and the markets are nervous of GBP as a result.
- GBP/EUR fell below 1.1500 overnight and it would seem that in early trading it is trying to get back over that level but is meeting resistance at 1.1490.
- US Treasury yields continue to rise, fuelling bets in the markets on a US interest rate hike. As a result USD encountered its highest overnight gain in 2 months, and with markets feeling there is little to cheer from the US-China summit talks and lack of movement in the Iranian situation, USD strength continues and EURUSD is also below the 1.1700 level.
- US manufacturing and industrial production figures are due out today, if they follow the strong retail sales figures USD markets feel it continue to gain strength at pace.

### Market rates at opening

GBP/USD	1.3363
GBP/EUR	1.1482
EUR/USD	1.1638
EUR/GBP	0.8709
GBP/AUD	1.8641
GBP/CAD	1.8373
GBP/CHF	1.0490
GBP/DKK	8.5804
GBP/HKD	10.4622
GBP/JPY	211.7100
GBP/NOK	12.4139
GBP/NZD	2.2798
GBP/SEK	12.5906
USD/CNY	6.8031

## CONTACT INFORMATION

Contact Markets on 028 9089 1111 / 028 9089 1100

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**EMAIL:** [markets@danskebank.co.uk](mailto:markets@danskebank.co.uk)

**WEBSITE:** [www.danskebank.co.uk](http://www.danskebank.co.uk)

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