

Markets Update

Tuesday, 25 November 2025

Key news

- Sterling trading remained range bound yesterday as it appears the pound is holding steady against its currency peers. Investors seem to be cautious about GBP ahead of the UK's Budget announcement tomorrow.
- The Chancellor Rachel Reeves has the job of revealing her much anticipated budget seeking to reassure investors that the government can be trusted to be prudent while honouring manifesto pledges not to raise taxes on working people.
- Markets will of course be keen to hear of her plans but investors will also focus in on the overall forecast for the economy and this may trigger a reaction on the pound.
- Stateside, Fed governor Waller said he would support the central bank cutting rates in December citing the weak job market. He also added that any further action would depend on the delayed US data releases. The market is currently pricing the odds of a December interest rate cut at circa 70%.
- In the Ukraine conflict, US and Ukraine drafted a fresh 19 point peace plan with the remaining elements to be discussed with Presidents Trump and Zelenskiy. The next steps include presenting the plan to Moscow.
- Looking ahead to today, several key indicators for the US economy are released in the afternoon. This includes PPI, retail sales and consumer confidence and it is worth noting that the PPI and retail sales are part of the delayed September releases. With few other data prints are on the agenda, the market reaction could be larger than usual and may well affect the voting pattern in the FOMC December meeting.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3122
GBP/EUR	1.1384
EUR/USD	1.1526
EUR/GBP	0.8784
GBP/AUD	2.0332
GBP/CAD	1.8526
GBP/CHF	1.0616
GBP/DKK	8.5017
GBP/HKD	10.2067
GBP/JPY	205.5100
GBP/NOK	13.4482
GBP/NZD	2.3446
GBP/SEK	12.5502
USD/CNY	7.0938

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