

## Markets Update

Wednesday, 18 March 2026

- The financial markets seem to have gained a little bit of respite overnight with major stock markets showing a slight recovery. Japan's Nikkei was up 3% and European shares also edged upwards extending a calm start to the week.
- Oil price fell \$2 overnight following an agreement between the Iraqi and Kurdish authorities to resume crude oil exports from Iraq to Turkey's Ceyhan port via the oil pipeline. Given the geographical importance of this port being on the Mediterranean, it is helping to ease supply worries as it does not rely on the Strait of Hormuz.
- This has led to a softer US dollar overnight, driven by the cooling oil rally and this has lifted risk sentiment. GBP/USD has risen to 1.3350 and EUR/USD has broken back above 1.1500. With the US Federal Reserve announcing its policy decision this evening, there is potential for volatility later. Many analysts do believe the central bank will maintain its interest rates, but it is the accompanying commentary about inflation and economic outlook that could shift traders' momentum.
- GBP/EUR is still sitting at higher 1.1500 levels, with GBP holding a degree of strength with market expectations that Bank of England will not move interest rates tomorrow and that expectations are that indeed there will be more chance later in the year of an interest rate rise rather than a cut.
- European inflation data is due at 10:00 but many analysts do not believe these figures will have a profound impact and central bank decisions today and tomorrow will be the main drivers of activity.
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### Market rates at opening

GBP/USD	1.3347
GBP/EUR	1.1576
EUR/USD	1.1530
EUR/GBP	0.8638
GBP/AUD	1.8784
GBP/CAD	1.8283
GBP/CHF	1.0497
GBP/DKK	8.6499
GBP/HKD	10.4627
GBP/JPY	212.1700
GBP/NOK	12.8101
GBP/NZD	2.2780
GBP/SEK	12.3926
USD/CNY	6.8729

## CONTACT INFORMATION

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