

Markets Update

Wednesday, 17 June 2026

Key news

- The early headlines today are dominated by the news that UK inflation has remained steady at 2.8% in May, below market predictions that it would rise to 3.0%. The surprise update has shown that the cost of transport has been offset by an easing of food prices during the month.
- Owing to higher energy costs taking time to feed through to the wider economy it is still expected that inflation will increase in the coming months. However, most economists are now expecting it to remain below 4% as the deal to bring about the end to the Iran will allow vessels through the Strait of Hormuz and energy production to rebound fully.
- Today's inflation data news comes ahead of the Bank of England's next interest rate decision tomorrow. This morning's news will further cement the market view that rates will be left at the current 3.75% level.
- The only release of note yesterday was the German ZEW survey which was broadly better than expected and had minimal impact.
- Turning to the rest of today and the focus will be on the outcome of the latest US federal reserve meeting. Whilst economists are widely expecting rates to remain on hold, all eyes will be on new Fed chair Warsh's post meeting press conference and any clues to the timing and direction of future interest rate policy.
- The pound opened today in similar territory above \$1.34 and slightly weaker against the euro around €1.1560.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3417
GBP/EUR	1.1560
EUR/USD	1.1605
EUR/GBP	0.8650
GBP/AUD	1.8995
GBP/CAD	1.8779
GBP/CHF	1.0615
GBP/DKK	8.6411
GBP/HKD	10.5110
GBP/JPY	214.89
GBP/NOK	12.7160
GBP/NZD	2.3048
GBP/SEK	12.5765
USD/CNY	6.7570

CONTACT INFORMATION

Contact Markets on 028 9089 1111 / 028 9089 1100

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EMAIL: markets@danskebank.co.uk

WEBSITE: www.danskebank.co.uk

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