

Markets Update

Monday, 01 September 2025

Key news

- Last week proved to be a relatively quiet one in terms of currency fluctuations, largely due to the absence of any major data releases. That theme continues today with only a UK manufacturing update due later this morning.
- Inflation is back in headlines in the Eurozone tomorrow with the headline monthly rate expected to show some easing. Last week's inflation figures for France and Spain came in lower in August, while Germany was slightly higher than expected.
- The main headlines in the US were President Trump's effort to dismiss Fed Governor Cook over alleged mortgage fraud which briefly caused headwinds in US bond and FX markets. However, the markets corrected, likely in anticipation of Cook succeeding in her legal challenge and being reinstated.
- Continuing in the US, PMI data is released on Tuesday ahead of the key non-farm payrolls on Friday which are expected to rise by a modest 75k in August from 73k in July. A possible weak number will re-enforce recent views by Fed officials, including Chair Powell, that interest rate cuts are imminent in the US. Current market pricing indicates a 90% probability of a 25bps rate cut at the upcoming meeting in September.
- The main UK release is Friday's delayed retail sales data for July. Also, Governor Bailey and other officials speak at the Treasury Select Committee on Wednesday.
- The pound opens this week in familiar territory close to €1.1550 against the Euro and is holding above \$1.35 against the US dollar.

Market Rates

Market rates at opening

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|---------|----------|
| GBP/USD | 1.3526 |
| GBP/EUR | 1.1542 |
| EUR/USD | 1.1719 |
| EUR/GBP | 0.8663 |
| GBP/AUD | 2.0672 |
| GBP/CAD | 1.8598 |
| GBP/CHF | 1.0814 |
| GBP/DKK | 8.6157 |
| GBP/HKD | 10.5411 |
| GBP/JPY | 199.0000 |
| GBP/NOK | 13.5619 |
| GBP/NZD | 2.2931 |
| GBP/SEK | 12.7559 |
| USD/CNY | 7.1328 |

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