

Markets Update

Monday, 27 July 2026

Key news

Dollar posted best week in a month on haven demand: The dollar closed last week up c0.4% against a basket of currencies — its strongest weekly performance since June. The move was driven by the escalating Middle East conflict which in turn pushed Brent oil briefly above \$100/barrel. Another round of new US tariffs of 10–12.5% on most major trading partners, all weighed on GBPUSD and EURUSD.

US-Iran ceasefire: There was some welcome news over the weekend as President Donald paused attacks on Iran for the second night in a row to give diplomacy more time. In response, the dollar has weakened in early trade today, whilst Brent crude dropped c7% to below \$90/barrel.

BOE interest rate decision — key risk for GBP this week: The Bank of England is due to deliver its rate decision on Thursday with most analysts expecting a hold at 3.75%. The pound faces downside risk if the BOE signals a cautious approach to tightening, which would contrast with a more hawkish ECB. Swap rates are currently fully pricing in one hike of 0.25% by year-end.

Federal Reserve meeting begins Tuesday — pivotal for USD direction: The Federal Reserve starts its two-day policy meeting on Tuesday. Rates are expected to be held, but markets will closely watch for signals on a potential September hike.

Today's economic events: There is little in the way of economic data today with a German Ifo business climate the only item of note. A slight uptick is expected.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3340
GBP/EUR	1.1699
EUR/USD	1.1402
EUR/GBP	0.8547
GBP/AUD	1.9048
GBP/CAD	1.8800
GBP/CHF	1.0871
GBP/DKK	8.7453
GBP/HKD	10.4605
GBP/JPY	218.077
GBP/NOK	12.8375
GBP/NZD	2.2989
GBP/SEK	12.9175
USD/CNY	6.7670

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