

Markets Update

Tuesday, 31 March 2026

Key news

- There is currently little optimism for an imminent ceasefire in the Middle East war and it appears likely that the knock-on impact on global markets will be felt for much longer than the short term.
- Tensions rose again yesterday in the ongoing war, as President Trump warned that the US would obliterate Iran's energy plants if the Strait of Hormuz is not reopened to international shipping.
- The tough rhetoric strengthened the US dollar over the course of yesterday afternoon as safe-haven flows once again featured.
- The immediate impact on inflation is likely to get some early colour today with the release of March's flash update from the Eurozone. Market analysts expect headline inflation to rise by 2.6% year-on-year from 1.9% with core inflation falling slightly to 2.3% from 2.4%. The rise in the headline number is not surprisingly expected to be driven by energy inflation, adding 0.9%, with petrol prices up 15% month-on-month and diesel up 28%.
- The data will be keenly watched ahead of April's ECB monetary policy meeting with markets increasingly predicting interest rate hikes by a plethora of central banks.
- The pound opens today on the back foot close to \$1.32 against the dollar and hovering just above €1.15 against the euro. The stronger dollar is also seen in the EUR/USD cross close to \$1.1475

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3207
GBP/EUR	1.1515
EUR/USD	1.1469
EUR/GBP	0.8683
GBP/AUD	1.9237
GBP/CAD	1.8401
GBP/CHF	1.0565
GBP/DKK	8.6004
GBP/HKD	10.3534
GBP/JPY	210.827
GBP/NOK	12.9183
GBP/NZD	2.3103
GBP/SEK	12.6165
USD/CNY	6.9070

CONTACT INFORMATION

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