

## Markets Update

Monday, 01 June 2026

### Key news

- Looking at the currencies on Friday, GBP gave ground to the greenback as uncertainty over a possible peace deal in the Iranian conflict kept investors cautious, while Bank of England Governor Bailey signalled he was in no rush to raise rates.
- As it currently stands markets have pencilled in one rate rise this year from the BoE and they are expected to keep rates on hold when they meet later this month. Bailey has said that allowing inflation to run above its target rate of 2% is justified given the uncertainty over the economic impact of the Iran war and the weak pace of UK growth, signalling that the MPC can afford to adopt a wait and see approach before announcing any rate moves.
- In terms of economic releases for today, in the US we have some manufacturing data for May. Recent regional indices are pointing towards another uptick despite the energy uncertainty. In the euro area, unemployment data covering April is published.
- Looking ahead to this week, focus remains on the Middle East. In terms of economic data for the UK, Wednesday see's the release of final Services PMI data followed by construction data on Thursday. Tomorrow all eyes will be on the euro zone for the publication of flash inflation data for May. Elsewhere, the highlight will be the US nonfarm payrolls due on Friday which should provide markets with an update on the state of the US jobs market.

### Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3464
GBP/EUR	1.1549
EUR/USD	1.1658
EUR/GBP	0.8658
GBP/AUD	1.8748
GBP/CAD	1.8590
GBP/CHF	1.0540
GBP/DKK	8.6307
GBP/HKD	10.5523
GBP/JPY	214.6590
GBP/NOK	12.4407
GBP/NZD	2.2551
GBP/SEK	12.4406
USD/CNY	6.7655

### CONTACT INFORMATION

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