Markets Update

Friday, 20 November 2026

Key news

- **UK retail sales post strongly**: This morning's early release showed sales volumes rose +0.7% month-on-month in October, reversing a revised -0.6% decline in September. On an annual basis, sales were up +2.3% year-on-year**.** Excluding auto fuel, volumes rose +0.9% m/m and +2.5% y/y**.**
- **Actual vs. consensus:** The headline print beat expectations on all measures. The median economist forecast was for unchanged m/m sales (range: -1.5% to +0.4% across 15 economists), making the +0.7% outturn a clear upside surprise. On an annual basis, the +2.3% y/y beat the +1.7% estimate.
- **Main drivers:** Supermarkets reported a surge in sales of long-life items such as tinned goods, attributed to government warnings urging households to stock up on emergency supplies. Prior to the release, the main downside risks cited were a squeeze on real incomes, limited carryover from September's decline, and sharply weaker consumer confidence, although lifting of Budget uncertainty was seen as a potential offset for a modest rebound.
- **GBP reaction:** The broader FX backdrop this morning is one of dollar weakness —largely due to concerns that an unwinding of AI trade is spurring outflows from US stocks — which is providing a tailwind to G10 currencies including sterling. Against that backdrop, GBP/USD stands at 1.3110 and GBP/EUR at 1.1947**.** However, a Brexit negotiation setback is reportedly weighing on the pound, limiting its upside.
- **Have a nice weekend!**

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3110
GBP/EUR	1.1945
EUR/USD	1.0976
EUR/GBP	0.8371
GBP/AUD	1.9658
GBP/CAD	1.8779
GBP/CHF	1.1045
GBP/DKK	8.9282
GBP/HKD	10.2810
GBP/JPY	208.560
GBP/NOK	12.8193
GBP/NZD	2.3835
GBP/SEK	13.3606
USD/CNY	6.6738

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