

Markets Update

Monday, 21 July 2025

Key news

- On Friday the pound traded lower against the dollar and slightly stronger against the euro.
- Sterling rose against the dollar to around \$1.3470 on Friday but over the week it saw a decline, consistent with the dollar's performance against other European currencies.
- Against the euro, the pound traded close to €1.1570, slightly weaker on the day but marginally stronger over the week.
- Analysts changed their expectations of Bank of England rate cuts this year, while concerns about longer-term economic prospects increased. Markets are now anticipating a 25 basis point cut in August with one additional cut likely by the end of the year. Just over a week ago three rate cuts were expected this year.

Market rates at opening

GBP/USD	1.3444
GBP/EUR	1.1545
EUR/USD	1.1644
EUR/GBP	0.8661
GBP/AUD	2.0631
GBP/CAD	1.8442
GBP/CHF	1.0758
GBP/DKK	8.6177
GBP/HKD	10.5525
GBP/JPY	199.0200
GBP/NOK	13.6771
GBP/NZD	2.2539
GBP/SEK	12.9789
USD/CNY	7.1757

Upcoming Events

- The main focus for markets this week will be the ECB rate decision on Thursday

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