Danske Bank Markets in Northern Ireland

Danske Bank

Markets Update

Wednesday, 29 July 2026

Key news

Middle East Conflict Revives Dollar Haven Bid: Fighting erupted again in the Middle East overnight, with the US military reporting it intercepted an Iranian attack and struck back. Oil rebounded sharply (Brent +4% to around $87.50), renewing safe-haven dollar demand and keeping EUR/USD and GBP/USD capped ahead of the Federal reserve interest rate decision.

USD makes modest gain: In the absence of any material data releases the USD edged marginally higher across the board. The move was largely attributed to trader positioning ahead of the Fed and Bank of England meetings.

Bank of England vote split uncertainty: Market contributors are expecting the BoE to leave interest rates unchanged tomorrow, but the vote split is the critical variable for sterling. According to analysts, a 7-2 split favouring a hold — with only two dissenters pushing for a hike — alongside language playing down inflationary risks from the energy spike, could cause UK rate hike expectations to fall sharply and weigh on the pound. A more hawkish 6-3 split with inflation forecasts peaking closer to 4% would likely support GBP.

Today's Key Events — Fed Decision Day: The Federal Reserve announces its rate decision today, with swaps pricing roughly a 36% probability of a 25bp hike. A hold is the base case, but Fed Chair Kevin Warsh's stance adds uncertainty.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3301
GBP/EUR	1.1668
EUR/USD	1.1399
EUR/GBP	0.8569
GBP/AUD	1.9140
GBP/CAD	1.8744
GBP/CHF	1.0889
GBP/DKK	8.7223
GBP/HKD	10.4320
GBP/JPY	217.69
GBP/NOK	12.8599
GBP/NZD	2.2985
GBP/SEK	12.8910
USD/CNY	6.7665

CONTACT INFORMATION

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