Danske Bank Markets in Northern Ireland

Danske Bank

Markets Update

Wednesday, 29 October 2025

Key news

- Despite the lack of economic data releases yesterday the pound came under selling pressure as it hit a 3-month low against a basket of currencies. The downturn in the pounds fortunes was attributed to an increasing likelihood that the Bank of England will cut interest rates again before the end of this year. Last week's softer than anticipated inflation numbers from the UK garnered further attention after the British Retail Consortium in its latest report indicated that it expected further reductions in food price inflation. Money markets are now pricing in around a 68% chance of a 25bps cut by the BOE in December.
- The pounds woes were further compounded by some speculation in the market that the Office for Budget Responsibility intends to lower the UK's productivity growth forecast which will put further pressures on the public finances ahead of the upcoming budget.
- The softer pound opens today around $1.3225 and below €1.14 against the single currency. The euro remains in similar territory against the US dollar around $1.1625.
- Turning to the day head and monetary policy in the US will provide the main highlight. The Federal Reserve is expected to sanction a further 25bps cut. Market analysts will be keeping a close eye on whether there will be any clues to point towards a further cut by year end.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3227
GBP/EUR	1.1370
EUR/USD	1.1627
EUR/GBP	0.8795
GBP/AUD	1.9998
GBP/CAD	1.8419
GBP/CHF	1.0518
GBP/DKK	8.4915
GBP/HKD	10.2759
GBP/JPY	201.16
GBP/NOK	13.208
GBP/NZD	2.2852
GBP/SEK	12.393
USD/CNY	7.0985

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