

Markets Update

Friday, 22 August 2025

Key news

- This morning's early trading may see some volatility, following weaker than expected German growth figures. German GDP has come in at -0.3% with industrial production performing poorly according to the statistics.
- GBP/EUR, remains in mid-1.1550 territory, whereas GBP/USD in on a downward trajectory and is trying to break resistance of 1.3400.
- All eyes still on Jerome Powell's comments in the US Fed's Jackson Hole speech, traders are hoping that his comments can cure the market's summertime blues.
- In the euro area, focus turns to the negotiated wage growth indicator released by the ECB. Declining wage growth is the biggest downside risk to ECB holding rates steady for the rest of the year.
- Japan's core inflation slowed for a second straight month in July but stayed above the central bank's 2% target, keeping alive market expectations for another interest rate hike in the coming months.
- In the UK, stronger than expected PMIs added to a hawkish data streak. The case for an unchanged Bank of England rate decision in November has strengthened, although we have a lot of incoming data before then.
- On the data front, it is quieter day, but with the UK Bank holiday on Monday it is possible to see some volatile trading today.

Market Rates

Market rates at opening

GBP/USD	1.3407
GBP/EUR	1.1561
EUR/USD	1.1596
EUR/GBP	0.8649
GBP/AUD	2.0884
GBP/CAD	1.8655
GBP/CHF	1.0849
GBP/DKK	8.6297
GBP/HKD	10.4789
GBP/JPY	199.0600
GBP/NOK	13.6706
GBP/NZD	2.3087
GBP/SEK	12.9130
USD/CNY	7.1804

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