

Markets Update

Thursday, 16 July 2026

Key news

- GBP edged up against both the EUR & USD yesterday with sterling being bolstered by decreased political unpredictability in the UK and anticipation that the Bank of England will increase interest rates.
- The ongoing disruption of supplies via the Strait of Hormuz caused by the resumption of hostilities between the US and Iran is putting upward pressure on the price of oil. Expectations are mounting that the BoE may need to tighten monetary policy due to the recent spike in oil prices.
- This morning, the latest UK GDP numbers released by the ONS has revealed that the economy has expanded by 0.1% in May, following a 0.1% decline in April, however the overall economic recovery remains fragile. Returning to the currencies, sterling has started the session on the front foot as various media reports cite that Shabana Mahmood, seen as fiscally conservative, has been identified as Andy Burnham's likely Chancellor pick.
- **Today's key economic events (July 16):** US June Retail Sales (13:30 BST) and Initial Jobless Claims (13:30 BST) are the main releases. Fed speakers remain in focus following the recent CPI and PPI softness. ECB leadership uncertainty also lingers, with a Bloomberg survey showing two-thirds of economists expect Lagarde to serve out her term to October 2027.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3535
GBP/EUR	1.1800
EUR/USD	1.1470
EUR/GBP	0.8474
GBP/AUD	1.9337
GBP/CAD	1.9004
GBP/CHF	1.0904
GBP/DKK	8.8203
GBP/HKD	10.6103
GBP/JPY	219.2990
GBP/NOK	13.0885
GBP/NZD	2.3114
GBP/SEK	12.9822
USD/CNY	6.7673

CONTACT INFORMATION

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