

Markets Update

Thursday, 19 February 2026

Key news

- Sterling lost ground against the euro and greenback yesterday following the latest UK inflation numbers which revealed that the UK's headline inflation number fell to 3% in January, reinforcing the view that the BoE will cut its benchmark rate in March following recent lacklustre employment data earlier in the week.
- Elsewhere, some softness crept into the euro as reports that the ECB President Lagarde planned to step down early, while the dollar extended gains following a solid batch of economic data ahead of the minutes from Federal Reserve's meeting in January, due after close of UK markets.
- Overnight, these minutes have revealed policy makers were nearly all in agreement to keep rates in the US on hold in January, with several members open to the idea of rate hikes if inflation remains elevated with others inclined to support cuts if inflationary pressures taper away. This split in views highlights the challenges ahead for incoming Fed Chair Kevin Walsh when he takes over from Powell in May. As it currently stands, markets are pencilling in 25bps cut in the June meeting with a further potential cut in September.
- Looking ahead to today there is no major UK economic data scheduled for release. Elsewhere, the euro area consumer confidence data for February is released today and should shed light on the mood amongst households that are expected to drive growth this year.

Market Rates

| CCY pair | Market rate at opening |
|----------|------------------------|
| GBP/USD | 1.3513 |
| GBP/EUR | 1.1450 |
| EUR/USD | 1.1801 |
| EUR/GBP | 0.8733 |
| GBP/AUD | 1.9093 |
| GBP/CAD | 1.8487 |
| GBP/CHF | 1.0438 |
| GBP/DKK | 8.5544 |
| GBP/HKD | 10.5600 |
| GBP/JPY | 209.3270 |
| GBP/NOK | 12.8392 |
| GBP/NZD | 2.2569 |
| GBP/SEK | 12.1795 |
| USD/CNY | 6.9032 |

CONTACT INFORMATION

Contact Markets on 028 9089 1111 / 028 9089 1100

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EMAIL: markets@danskebank.co.uk

WEBSITE: www.danskebank.co.uk

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