Markets Update

Monday, 03 August 2026

- Sterling has started the week on a firm footing. GBP/USD is trading around 1.3460, close to a two-week high, while GBP/EUR is at 1.1680. The pound has strengthened notably against the US dollar, rising from 1.3295 at the start of last week to current levels. This move has been mainly driven by broader weakness in the US dollar rather than UK-specific factors.
  EUR/USD has also moved higher, trading around 1.1530 after briefly reaching 1.1559, its highest level in around six weeks.
- US President Donald Trump said talks with Iran are expected to take place today, although no deadline has been set for reaching an agreement. This follows his earlier comments that a planned attack had been called off, with the aim of allowing more time to reach a deal on reopening the Strait of Hormuz and easing tensions over Iran's nuclear programme.
- The key focus this week will be the US labour market report for July. Investors will be watching the employment figures closely for signs of how the labour market is holding up and whether inflationary pressures linked to President Donald Trump's conflict with Iran could influence the Federal Reserve's interest rate outlook. The Federal Reserve left interest rates unchanged at last week's meeting, as widely expected. However, Chair Kevin Warsh's first post-meeting press conference disappointed some market participants, as he offered limited forward guidance and took a more restrained approach to communication. This contributed to a rise in US borrowing costs and increased market volatility. As a result, investors are likely to pay even closer attention to upcoming economic data for clues on the Fed's next policy moves.

Market rates at opening	
GBP/USD	1.3458
GBP/EUR	1.1676
EUR/USD	1.1524
EUR/GBP	0.8563
GBP/AUD	1.9176
GBP/CAD	1.8892
GBP/CHF	1.0877
GBP/DKK	8.7263
GBP/HKD	10.5500
GBP/JPY	210.84
GBP/NOK	12.8307
GBP/NZD	2.2907
GBP/SEK	12.8277
USD/CNY	6.7530

CONTACT INFORMATION

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