Markets Update

Tuesday, 04 August 2026

- UK manufacturing activity expanded for the ninth month in a row in July, but growth slowed to its weakest pace in four months, according to purchasing managers' data released yesterday. The figures suggest the war in Iran had a renewed impact towards the end of last month. The S&P Global Purchasing Managers' Index for the UK manufacturing sector fell to 51.9 in July from 52.5 in June. This was below the earlier flash estimate of 52.8, which would have been the third-highest reading in the past four years.
- Conflicting signals from the US and Iran over talks to end their five-month war added to uncertainty this morning. The latest attack on shipping in the Strait of Hormuz also underlined the risks to global energy flows. US President Donald Trump said yesterday that talks were under way and warned that it was Tehran's "last chance" to agree to a deal. Iran, however, denied that negotiations were taking place or planned.
- In the US, focus will be on the June JOLTS report. Job openings have risen slightly this year, which in the past has often signalled higher wage pressures ahead. June trade balance figures will also be published later in the day, with the preliminary estimate suggesting the trade deficit was broadly unchanged from May.

Market rates at opening	
GBP/USD	1.3434
GBP/EUR	1.1668
EUR/USD	1.1513
EUR/GBP	0.8569
GBP/AUD	1.9133
GBP/CAD	1.8874
GBP/CHF	1.0877
GBP/DKK	8.7212
GBP/HKD	10.5344
GBP/JPY	211.78
GBP/NOK	12.7848
GBP/NZD	2.2882
GBP/SEK	12.8331
USD/CNY	6.7521

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