Danske Bank Markets in Northern Ireland

Danske Bank

Markets Update

Friday, 21 August 2026

- The pound climbed to its strongest level against a weakening dollar in six months yesterday, following an unexpected move by the US Treasury to curb rising long-term borrowing costs. Sterling gained 0.4% versus the dollar, reaching USD 1.3661, its highest point since 16 February. The dollar index, which tracks the currency against six major peers including the pound, fell 0.2% to 98.61. The US Treasury said it would at least double its purchases of longer-term Treasury securities, pushing the 30-year yield sharply lower after it had reached its highest level since 2007 earlier in the week.
- UK retail sales declined as expected in July, following a strong rise in June when hot weather lifted demand for fans and air conditioners, while supermarket promotions linked to the men's football World Cup also supported spending. Official figures released this morning showed retail sales volumes fell 0.5% from June. Annual sales growth slowed to 1.6% in July from a downwardly revised 3.8%, coming in slightly below expectations of 2.2%. Sterling edged lower against the dollar after the figures, which were published alongside data showing government borrowing was higher than expected in July.
- **Euro area**: Today's focus is on the August flash PMIs and second-quarter negotiated wage figures. The PMIs are expected to be little changed from July, with services at 51.6 and manufacturing at 51.9.
- **UK:** The August flash PMIs are also due, offering a fresh indication of whether the economy's recent resilience has continued.
- **US:** August flash PMIs will be released as well. Activity has continued to hold up, with both indices expected to remain above the 50 mark, signalling ongoing expansion.

Market rates at opening	
GBP/USD	1.3649
GBP/EUR	1.1664
EUR/USD	1.1695
EUR/GBP	0.8569
GBP/AUD	1.9096
GBP/CAD	1.8782
GBP/CHF	1.0914
GBP/DKK	8.7215
GBP/HKD	10.7016
GBP/JPY	216.84
GBP/NOK	12.7179
GBP/NZD	2.2860
GBP/SEK	12.9110
USD/CNY	6.7202

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**