Danske Bank Markets in Northern Ireland

Danske Bank

Markets Update

Tuesday, 08 September 2026

- **GBP/USD holding above $1.35-** The pound opened this morning close to 1.3540 against the dollar, largely unchanged over the course of yesterday with the US out for the Labour Day bank holiday. Against the euro, GBP/EUR sits close to 1.1650, marginally firmer on the week.
- **UK hiring data provided a positive surprise -** The Recruitment and Employment Confederation's index showed permanent staff appointments grew in August for the first time since September 2022, reflecting a pickup in business optimism.
- **New Chancellor Healey struck a fiscally hawkish tone -** In his first major speech yesterday, John Healey pledged fiscal discipline and economic growth as twin priorities, vowing to build on the UK's credibility in international bond markets. Economists are calling on him to restore the UK's fiscal buffer at the upcoming budget, with the fiscal headroom having eroded amid the global bond selloff.
- **Gilts under modest pressure as oil approaches $99/barrel -** Two-year gilt yields are up a basis point this morning, lagging European peers slightly. Rising oil prices — Brent near $99 — are stoking inflation concerns and keeping rate-cut expectations in check. UK house prices posted their first annual decline since November 2023 in August (Lloyds data), adding to a mixed domestic demand picture.
- **ECB decision (Thursday) and US CPI (Friday) are the dominant macro events for the week.** Markets are awaiting the ECB rate decision on Thursday and US inflation data on Friday as the key catalysts — both of which will drive EUR/GBP and GBP/USD volatility. UK retail sales data is also due this week. The broader FX backdrop is dominated by yen strength (USD/JPY near 153), a softer dollar, and Brent closing in on $100/bbl.

Market rates at opening	
GBP/USD	1.3535
GBP/EUR	1.1652
EUR/USD	1.1616
EUR/GBP	0.8581
GBP/AUD	1.8760
GBP/CAD	1.8671
GBP/CHF	1.0974
GBP/DKK	8.7110
GBP/HKD	10.6130
GBP/JPY	208.22
GBP/NOK	12.5320
GBP/NZD	2.3104
GBP/SEK	13.006
USD/CNY	6.7114

CONTACT INFORMATION

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