

Markets Update

Thursday, 29 October 2026

- The Federal Reserve kept interest rates unchanged yesterday, as expected. It chose to wait until after next week's US midterm elections before making any changes to borrowing costs, while it looks for more evidence on inflation, which it said "remains elevated". The decision to keep the benchmark interest rate in the 3.75%-4.00% range was approved by 10 votes to 2. The Fed also gave a more positive view of the economy, saying it is now growing at a "strong pace".
- UK finance minister John Healey announced support yesterday for households facing pressure from "global economic storms". Measures included help with rising energy bills and support for drivers through lower fuel costs, in the first budget under Prime Minister Andy Burnham's government. In a cautious package of tax and spending measures, Healey said taxes would increase for banks, gambling companies, savers and landlords. He also announced tighter VAT rules for online marketplaces such as Amazon and eBay. The extra revenue would help fund cost-of-living support and provide some property tax relief for small businesses.
- The European Central Bank is expected to keep interest rates unchanged later today, in a decision that has been widely signalled. However, the announcement may be overshadowed by questions about bond market volatility in France and ECB President Christine Lagarde's future. The euro area's central bank has already raised rates twice since June. It is expected to tighten policy again in the coming months as policymakers try to stop an oil price shock linked to the Iran war from spreading into broader prices and wages.

Market rates at opening

GBP/USD	1.3325
GBP/EUR	1.1956
EUR/USD	1.1146
EUR/GBP	0.8362
GBP/AUD	1.8912
GBP/CAD	1.8636
GBP/CHF	1.1033
GBP/DKK	8.9330
GBP/HKD	10.4544
GBP/JPY	210.24
GBP/NOK	12.3420
GBP/NZD	2.3693
GBP/SEK	13.2065
USD/CNY	6.6614

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