Markets Update

Monday, 28 September 2026

- **Sterling and euro soften against a yield-supported dollar** - GBP/USD closed Friday at 1.3251 and EUR/USD at 1.1391, leaving GBP/EUR at 1.1630. This week's US PCE inflation data on Wednesday and September nonfarm payrolls on Friday (consensus: 100,000) could influence all three pairs.
- **Brent trades within a USD 97-108 range amid US-Iran talks and Saudi pipeline disruption** - Brent crude settled at USD 104.32 per barrel on Friday, down 2.14%. Attention remains on US-Iran negotiations in New York, where diplomats are reportedly discussing a phased agreement under which Tehran would reopen the Strait of Hormuz in exchange for Washington lifting its economic blockade.
- **Rate expectations support the dollar** - The Federal Reserve raised rates by 25 basis points on 16 September, while markets are pricing at least one further increase before year-end. Tightening expectations continued to support the dollar, with Cleveland Fed President Hammack warning that "the biggest risk with inflation right now is that an inflationary mindset could start to set in."
- **BoE speakers in focus as November rate expectations rise** - This week's UK data are limited to the Q2 current account, GDP and final September manufacturing PMI. Sterling may also be influenced by remarks from BoE Deputy Governor Ramsden today on quantitative tightening, MPC member Taylor on Tuesday, Catherine Mann on Thursday and Governor Bailey on Thursday.
- **ECB's Vujcic highlights diesel-related inflation risks as French spreads widen** - ECB Vice President Vujcic said on Friday that diesel prices were "likely to stay high for long" because of reduced capacity. The euro remains sensitive to both energy-driven inflation, which could affect the ECB's policy outlook, and fiscal concerns in France, where 10-year borrowing costs have risen to 4.7%. Flash eurozone HICP data for September, due this week, will be monitored for further evidence of price pressures.

Market rates at opening	
GBP/USD	1.3242
GBP/EUR	1.1639
EUR/USD	1.1376
EUR/GBP	0.8591
GBP/AUD	1.8869
GBP/CAD	1.8744
GBP/CHF	1.0993
GBP/DKK	8.7004
GBP/HKD	10.3862
GBP/JPY	208.4900
GBP/NOK	12.6093
GBP/NZD	2.3373
GBP/SEK	13.1623
USD/CNY	6.7149

CONTACT INFORMATION

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