

Markets Update

Thursday, 08 October 2026

Key news

- The weak euro story continued on Wednesday as the single currency remained under selling pressure as yields on French and other fiscally challenged euro zone countries spiked more sharply than those of safe havens such as Germany. Market analysts have noted “Le Spread” between French and German bonds have widened considerably the last fortnight however according to the Bank of France head Moulin, the country does at this point, not need any help from the ECB.
- Staying with the currencies, sterling weakened to just over \$1.32 against the greenback but hit its highest level since June 2025 against the beleaguered euro.
- After close of play UK time, the latest FOMC minutes were released which contained no major surprises. All participants supported the 25bps rate hike, while most saw another hike as appropriate by year end. Almost all participants viewed inflation risks as tilted to the upside, while labour market risks were broadly balanced. The minutes also highlighted solid economic momentum, with AI related investment supporting business investment. Overall markets reacted modestly, with a slightly lower probability of an October hike.
- Looking ahead to today, the ECB will be releasing the minutes of its September policy meeting which should give some further insight into the Governing Council’s discussions.
- It will also be worth keeping an ear to the ground in the US where there are a couple of Fed speakers on the wires; any US policy divergence narrative remains in focus, with Fed commentary and oil price trajectory key for USD direction. Any further escalation in the Strait of Hormuz or new French fiscal headlines could also drive fresh EUR and GBP volatility.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3197
GBP/EUR	1.1793
EUR/USD	1.1190
EUR/GBP	0.8479
GBP/AUD	1.8981
GBP/CAD	1.8804
GBP/CHF	1.0999
GBP/DKK	8.8139
GBP/HKD	10.3573
GBP/JPY	208.8110
GBP/NOK	12.6247
GBP/NZD	2.3597
GBP/SEK	13.2110
USD/CNY	6.7024

CONTACT INFORMATION

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