

Markets Update

Monday, 16 February 2026

Key news

- Sterling ended the week on the back foot on Friday as the currency as well as UK bonds were caught up in last week's political crisis driven by the Epstein affair, and at one point threatened PM Starmer's hold on power.
- This crisis abated somewhat along with sterling selling pressure after the cabinet rallied behind Starmer and he never resigned from his position. On the economic front, last week's GDP publication revealed that the economy almost ground to a halt during the last three months of 2025. Despite this setback, market expectations remain that the BoE will deliver only two cuts this year, given policy makers concern about persistent inflation.
- Looking at the currencies this morning, sterling starts the session at approx. €1.15; versus the dollar, the pound is currently worth circa \$1.3650.
- Staying in the UK, this week is busy on the economic data front and will be watched by members of the MPC and markets alike. On Tuesday we have the release of employment data, followed by inflation numbers on Wednesday and bringing the week to a close we have UK retail sales and PMI data due to be released on Friday.
- Elsewhere, on Tuesday the ZEW survey in Germany is released, on Wednesday the minutes of the FOMC meeting, on Thursday we have euro area consumer confidence, while flash PMI's for the US and euro zone round of the week on Friday.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3651
GBP/EUR	1.1501
EUR/USD	1.1867
EUR/GBP	0.8693
GBP/AUD	1.9260
GBP/CAD	1.8577
GBP/CHF	1.0487
GBP/DKK	8.5916
GBP/HKD	10.6698
GBP/JPY	209.3700
GBP/NOK	12.9645
GBP/NZD	2.2599
GBP/SEK	12.1812
USD/CNY	6.9032

CONTACT INFORMATION

Foreign Exchange & Treasury deposits: 028 9089 1111 / 028 9089 1100
Structured Term Loans: 028 9004 9617 / 028 9004 9602

EMAIL: markets@danskebank.co.uk WEBSITE: www.danskebank.co.uk

We may record or monitor calls to confirm details of our conversations, and for verification and quality

Issued by Northern Bank Limited trading as Danske Bank (the "Bank" or "We").

So far as the law or regulation allow, We disclaim any warranty or representation as to the accuracy or reliability of the information and statements in this commentary. We will not be liable for any loss or damage suffered from relying on this commentary. This commentary does not purport to contain all relevant information. Recipients should not rely on its contents but should make their own assessment and seek professional advice relevant to their circumstances. We may have proprietary positions in the products described in this commentary. This commentary is for information purposes only, is not intended as an offer or solicitation, nor is it the intention of the Bank to create legal relations on the basis of the information contained in it. No part of this commentary may be reproduced without our prior permission.

Danske Bank is a trading name of Northern Bank Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered in Northern Ireland (registered number R568). Registered Office: Donegall Square West Belfast