

## 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 off 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

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