

Markets Update

Thursday, 05 February 2026

- The markets will be focused today on both the UK and European interest rate decisions. Neither are expected to change rates, and the markets are expecting Christine Lagarde in the ECB to refrain from giving new policy signals. This may lead to a very neutral market reaction to the ECB decision.
- Bank of England are expected to vote to keep rates at 3.75%, and they are likely to assess if the weakening jobs market will push down inflation enough to allow for further cuts.
- The US dollar has regained some strength overnight with the markets today's data. GBP/USD is at the low end of 1.3600 and EUR/USD is testing the resistance level of 1.1800.
- GBP/EUR has retracted away from yesterdays' 1.16 levels now below 1.1550. However, at 10:00 this morning European retails sales may show softer figures and that could lead to traders being more active in the currency pair.
- There seems to be a degree of risk aversion entering the markets, and as usual with risk aversion USD will gain a degree of strength in the markets, and this was also helped by a further sell off in the gold and silver markets.

Market rates at opening

GBP/USD	1.3619
GBP/EUR	1.1537
EUR/USD	1.1804
EUR/GBP	0.8667
GBP/AUD	1.9498
GBP/CAD	1.8627
GBP/CHF	1.0582
GBP/DKK	8.6149
GBP/HKD	10.6384
GBP/JPY	213.8400
GBP/NOK	13.1796
GBP/NZD	2.2717
GBP/SEK	12.2319
USD/CNY	6.9395

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