Danske Bank Markets in Northern Ireland

Danske Bank

Markets Update

Thursday, 13 August 2026

- **US CPI broadly in line with expectations:** US July CPI was reported in line with consensus, with headline inflation rising 0.1% month-on-month. The annual rate eased to 3.4%, from 3.5% in June.
- **Fed rate expectations adjust after CPI:** Following the CPI release and last Friday's softer employment data, market pricing for a Federal Reserve rate increase in September has moved lower. The CME FedWatch tool shows the probability of a September hike at around 38% to 40%, with markets pricing a higher probability of a move by October.
- **Dollar firms as sterling and euro soften:** GBP/USD is trading around 1.3478, after reaching 1.3540 following yesterday's CPI release. EUR/USD is trading around 1.1519, below yesterday morning's level of approximately 1.1537. GBP/EUR is trading near 1.1700, having touched a session low of 1.1692 after the UK data release.
- **UK GDP slows while services support growth:** UK Q2 GDP was reported at 0.4% quarter-on-quarter, in line with expectations but below the 0.6% recorded in Q1. Services grew 0.5% quarter-on-quarter and remained the main contributor to growth, while construction rose 0.3%. Manufacturing contracted for the first time in three months, and the goods trade deficit is forecast to have widened to £20.5bn from £18.66bn.
- **US Retail sales the marquee data release to close the week:** Following a busy week of data, tomorrow we will see if there are signs of consumer resilience in the US amid elevated energy costs and cooling labour market conditions.

Market rates at opening	
GBP/USD	1.3478
GBP/EUR	1.1700
EUR/USD	1.1519
EUR/GBP	0.8545
GBP/AUD	1.9123
GBP/CAD	1.8802
GBP/CHF	1.0967
GBP/DKK	8.7469
GBP/HKD	10.5744
GBP/JPY	214.8000
GBP/NOK	12.7974
GBP/NZD	2.3113
GBP/SEK	12.9072
USD/CNY	6.7455

CONTACT INFORMATION

Contact Markets on 028 9089 1111 / 028 9089 1100

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