

Markets Update

Monday, 15 December 2025

Key news

- Friday saw the release of the latest UK GDP figures and they made for grim reading. The ONS said GDP contracted by 0.1% in the last quarter, unexpectedly shrinking in the run up to Rachel Reeves' Budget.
- Looking at the currencies, sterling fell slightly against the US dollar after the data, which revealed unexpectedly sharp declines in the services sector as well as construction.
- Over the weekend, there were some comments following the FOMC December meeting, however it did not provide any clear new signals from policy makers although it is worth noting that FED member Hammock commented on the labour market gradually cooling but also pointed at inflation remaining above target.
- Today is expected to be somewhat quiet on the data front while the rest of the week will offer many interesting figures ahead of key central bank meetings on Thursday.
- In the UK, we have the latest labour market data and inflation numbers (*due Tuesday & Wednesday*) ahead of the BoE rate decision on Thursday. Here, the BoE is widely expected by analysts to cut the benchmark rate to 3.75% in light of a weakening economy.
- Staying on the central bank theme, ECB and the Norges Bank meetings also take place on Thursday with market consensus expecting the ECB and Norges Bank to leave their benchmark rates unchanged.
- Looking Stateside, there is glut of US data due to be published, albeit much delayed following the US government shutdown. Tomorrow we have delayed US non-farm payrolls and the full November Jobs report along with the October retails sales data. On Thursday, the November CPI is due for release in the afternoon.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3370
GBP/EUR	1.1390
EUR/USD	1.1737
EUR/GBP	0.8778
GBP/AUD	2.0098
GBP/CAD	1.8395
GBP/CHF	1.0653
GBP/DKK	8.5077
GBP/HKD	10.4047
GBP/JPY	207.4340
GBP/NOK	13.5276
GBP/NZD	2.3116
GBP/SEK	12.4082
USD/CNY	7.0489

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