Danske Bank Markets in Northern Ireland

Danske Bank

Markets Update

Tuesday, 18 August 2026

- The US dollar is staying close to multi-month lows against most major currencies, as traders reduce bets on imminent monetary policy tightening. However, the growing risk of a wider Middle East conflict is keeping market sentiment cautious. The euro slipped from yesterday's two-month peak of 1.1614 and was last at 1.1571. The pound traded at $1.3534, just below the three-month high reached in the prior session. Recent figures have suggested a weakening US economy, including unexpected job losses last month and modest inflation readings. This has led investors to reduce expectations of a rate increase by the US Federal Reserve.
- US 30-year Treasury yields rose sharply this morning, hitting their highest level since 2007. The increase came as talks aimed at ending the US-Iran conflict stalled, while fears of a possible escalation pushed oil prices above $90 a barrel. This renewed inflation worries and triggered volatility across markets. Bond markets also faced pressure from concerns about higher fiscal spending and increased debt issuance.
- Britain's labour market eased in the second quarter, with official figures released this morning showing slower private-sector pay growth and the lowest level of job vacancies in more than five years. Regular private-sector earnings, closely watched by the Bank of England as a measure of domestic inflation pressure, increased by 2.8% year on year in the three months to June. This marked the weakest pace of growth since the three months to October 2020.
- In the US, July industrial and manufacturing output figures are due for release today and are expected to show a slight improvement from June. Housing figures are also due.

Market rates at opening	
GBP/USD	1.3525
GBP/EUR	1.1685
EUR/USD	1.1571
EUR/GBP	0.8555
GBP/AUD	1.9041
GBP/CAD	1.8756
GBP/CHF	1.0967
GBP/DKK	8.7343
GBP/HKD	10.6108
GBP/JPY	216.02
GBP/NOK	12.7502
GBP/NZD	2.3012
GBP/SEK	12.8734
USD/CNY	6.7428

CONTACT INFORMATION

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