Danske Bank Markets in Northern Ireland

Danske Bank

Markets Update

Thursday, 23 July 2026

- The pound held steady against the dollar yesterday, as a softer-than-expected inflation reading did little to change market expectations for interest rate increases later this year. Sterling was flat at 1.3373 after weakening over the previous four sessions. It fell 0.2% against the euro but remained on track for a gain of around 1% for the month. Inflation in the UK cooled more than expected last month, as a brief de-escalation in the Iran conflict helped lower fuel prices. However, the slowdown is likely to provide only temporary relief for Prime Minister Andy Burnham as he seeks to ease living costs.
- The euro moved towards a one-week high this morning as markets awaited the European Central Bank's latest policy decision. Policymakers are expected to keep interest rates unchanged, while leaving the door open to a possible increase in September if higher energy prices fuel renewed inflationary pressure. The ECB raised rates in June and signalled that further tightening could be ahead. However, recent softer indicators for prices, wages, economic activity and inflation expectations have made another near-term rate rise less likely. That said, higher oil prices driven by escalating tensions in the Middle East could prompt the bank to adjust rates to prevent the energy shock from feeding into a broader price spiral.
- Oil prices rose for a fifth consecutive day today, driven by growing concerns over supply disruptions. The move followed a new round of US strikes on Iran and claims by Iran-aligned Houthi forces of attacks on oil tankers in the Red Sea. The escalation has also renewed fears that the Strait of Hormuz could be nearly shut once again.

Market rates at opening	
GBP/USD	1.3373
GBP/EUR	1.1704
EUR/USD	1.1424
EUR/GBP	0.8542
GBP/AUD	1.9087
GBP/CAD	1.8796
GBP/CHF	1.0890
GBP/DKK	8.7494
GBP/HKD	10.4842
GBP/JPY	218.15
GBP/NOK	12.7900
GBP/NZD	2.3004
GBP/SEK	12.9585
USD/CNY	6.7700

CONTACT INFORMATION

Contact Markets on 028 9089 1111 / 028 9089 1100

***EMAIL:* markets@danskebank.co.uk** ***WEBSITE:* www.danskebank.co.uk**