

Markets Update

Tuesday, 03 March 2026

- With the US embassy in Riyadh Saudi Arabia hit by two Iranian drones last night there seems to be no easing in the conflict. President Trump has said that Washington's retaliation will be revealed soon and that deploying troops would not be necessary. Keir Starmer in the UK declared yesterday that although he would allow British bases to be utilised by the US, they would not at this stage be joining the offensive.
- Oil and Gas prices continued an increase for the third day in a row with gold retreating slightly on the back of a strong US Dollar. The stock markets across the globe encountered a major sell off. With economic uncertainty rising and geopolitical risk also rising, markets seem extremely nervous and there are similar vibes to 2022 when the Russian-Ukraine conflict started.
- USD seems to have regained its Safe-haven status, after many analysts believed it has lost its appeal during times of stress following scepticism that took root when the currency failed to rally during last year's tariff induced market selloff. GBP/USD remains at the lower end of 1.33 after a rally during early trading yesterday. EUR/USD has broken the resistance of 1.1700 and is now below 1.1650.
- Philip Lane, The European central Bank's chief economist has warned that Eurozone inflation could surge on a lengthy Iran conflict. He believes a sharp rise in energy-driven inflation could lead to a sharp drop in output in the region. This has led to pressure on the EUR this morning with GBP/EUR remaining at mid-1.14 levels despite similar inflation worries in the UK. This may reduce the impact of today's Euro zone inflation figures due at 10:00
- Rachel Reeves will deliver her spring statement this afternoon. It will include an economic outlook but will not be a fiscal statement. Many analysts do not foresee any major changes.

Market rates at opening

GBP/USD	1.3307
GBP/EUR	1.1443
EUR/USD	1.1629
EUR/GBP	0.8739
GBP/AUD	1.8843
GBP/CAD	1.8218
GBP/CHF	1.0430
GBP/DKK	8.5485
GBP/HKD	10.3904
GBP/JPY	209.6000
GBP/NOK	12.7810
GBP/NZD	2.2552
GBP/SEK	12.2481
USD/CNY	6.8977

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