Danske Bank Markets in Northern Ireland

Danske Bank

Markets Update

Thursday, 30 July 2026

- **Federal Reserve holds rates with hawkish dissent.** The Federal Reserve left interest rates unchanged at 3.50%-3.75% on Wednesday. However, three committee members – Hammack, Kashkari and Logan – dissented in favour of an immediate 25bp increase. Chair Kevin Warsh reiterated the Fed's focus on containing inflation but did not provide forward guidance. Markets now price a 65% probability of a September rate increase, down from 81% before the meeting.
- **Dollar Recovers.** GBP/USD is currently trading just below 1.3350, having eased from a post-Fed announcement high of 1.3385. The move followed renewed dollar strength, supported by rising oil prices and higher long-end US yields.
- **Bank of England expected to hold rates.** The Bank of England is due to announce its interest rate decision at 12:00 today, with markets expecting Bank Rate to remain unchanged at 3.75%. The main focus will be the MPC vote split. In June, the vote was 7-2. Several analysts now expect a possible shift to 6-3 in today's meeting. Markets are currently pricing around a 50% probability of a 25bp increase in September, with 4.00% fully priced by November.
- **Euro Shows Signs of Stabilisation.** GBP/EUR is trading around 1.1650, having moved back from the month's high of 1.1826. EUR/USD remains above the 1.1400 level this morning and briefly approached 1.1450 in early trading. Market pricing continues to indicate some downside risk for both GBP and EUR against the dollar.
- **Geopolitical Risks and Oil Prices Remain Key Market Drivers**. The US-Iran conflict, now in its sixth month, continues to influence the broader macroeconomic backdrop. Brent crude briefly moved above USD 91 per barrel before easing, while Houthi threats to impose transit fees on Red Sea shipping have added further uncertainty. Inflation pressures filtering through supply chains remain an important consideration for both the Federal Reserve and the Bank of England.

Market rates at opening	
GBP/USD	1.3343
GBP/EUR	1.1654
EUR/USD	1.1449
EUR/GBP	0.8580
GBP/AUD	1.9182
GBP/CAD	1.8744
GBP/CHF	1.0880
GBP/DKK	8.7116
GBP/HKD	10.4653
GBP/JPY	218.2400
GBP/NOK	12.8006
GBP/NZD	2.2962
GBP/SEK	12.8960
USD/CNY	6.7563

CONTACT INFORMATION

Contact Markets on 028 9089 1111 / 028 9089 1100

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