Danske Bank Markets in Northern Ireland

Danske Bank

Markets Update

Wednesday, 12 August 2026

- **Major pairs hold steady ahead of data:** Sterling is trading around 1.35 against the dollar and just above 1.17 against the euro. GBP/USD remains above key support, while resistance near 1.3530 has limited gains. EUR/USD is trading below its 100-day moving average at 1.1536.
- **US CPI is in focus:** July Consumer Price Index data is due at 13:30. Headline CPI is expected to rise 0.1% month-on-month, compared with a prior reading of -0.4%, while the year-on-year rate is expected to ease to 3.4% from 3.5%.
- **Energy prices remain a market factor:** The US-Iran situation continues to be monitored by FX markets, with Brent crude settling at USD 88.91. Higher energy prices can influence inflation expectations and central bank policy considerations, which remain relevant for GBP, EUR and USD crosses.
- **Liquidity conditions remain thin:** August trading conditions continue to reflect lighter volumes and reduced liquidity, which can increase sensitivity to data releases. Japan's Obon holiday period is also contributing to lower global market participation.
- **Further US data may shape expectations:** Following CPI, markets will also focus on PPI on Thursday and retail sales on Friday. The combined data releases may influence interest rate expectations and FX pricing ahead of the September US Federal Reserve decision.

Market rates at opening	
GBP/USD	1.3507
GBP/EUR	1.1708
EUR/USD	1.1536
EUR/GBP	0.8540
GBP/AUD	1.9134
GBP/CAD	1.8814
GBP/CHF	1.0959
GBP/DKK	8.7528
GBP/HKD	10.5994
GBP/JPY	215.2600
GBP/NOK	12.8213
GBP/NZD	2.3024
GBP/SEK	12.8685
USD/CNY	6.7459

CONTACT INFORMATION

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