

Markets Update

Wednesday, 30 September 2026

- **Sterling FX snapshot: GBP/EUR, GBP/USD and EUR/USD** - GBP/USD is trading around 1.3260, EUR/USD near 1.1350 and GBP/EUR at approximately 1.1675 this morning. Sterling has recovered modestly from yesterday's three-month low of 1.3203.
- **UK Q2 GDP revised higher, supporting sterling** - The ONS revised second-quarter UK GDP growth to 0.5% from 0.4%, making the UK the fastest-growing G7 economy in the first half of 2026. Annual business investment was revised to 5.2% from 0.8%, while the current account deficit narrowed to GBP 19.9bn, below the GBP 24.7bn consensus. The data may provide modest support for sterling ahead of the October UK Budget.
- **Fed rate expectations ease after Williams' remarks** - New York Fed President John Williams said on Tuesday that there was "no urgency" for the next rate increase, prompting markets to reduce the probability of an October move to around 50% from 71%. US two-year Treasury yields fell by about 3.5 basis points, while 10-year yields remain near 5.23%, their highest since 2007.
- **Eurozone inflation exceeds expectations** - France's preliminary EU-harmonised CPI rose to 3.4% in September, above the 3.1% consensus and up from 2.6% in August. Higher energy costs are adding to European price pressures and complicating the ECB outlook, while French political uncertainty and the widest yield spread over Germany since 2012 continue to weigh on the euro. German September CPI data are due later today.
- **Economic data calendar: a packed Wednesday on both sides of the Atlantic** - In Europe, markets are watching German preliminary September CPI data later today, following France's upside surprise of 3.4% versus 3.1% expected, with Italian September CPI also due; the French government's draft 2027 budget is also expected to be submitted today. In the US, the Commerce Department releases August PCE - the Fed's preferred inflation gauge - with headline expected at +0.4% month-on-month and core at +0.3%, alongside the final Q2 GDP reading (consensus 1.5% annualised) and the ADP private payrolls report (forecast +70,000 versus +38,000 prior).

Market rates at opening

GBP/USD	1.3259
GBP/EUR	1.1679
EUR/USD	1.1353
EUR/GBP	0.8561
GBP/AUD	1.9014
GBP/CAD	1.8807
GBP/CHF	1.1045
GBP/DKK	8.7304
GBP/HKD	10.4033
GBP/JPY	207.9000
GBP/NOK	12.7065
GBP/NZD	2.3459
GBP/SEK	13.2281
USD/CNY	6.7046

CONTACT INFORMATION

Contact Markets on 028 9089 1111 / 028 9089 1100

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EMAIL: markets@danskebank.co.uk

WEBSITE: www.danskebank.co.uk

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