

Markets Update

Friday, 12 December 2025

Key news

- The US dollar remained on the defensive yesterday largely driven by the 25bps interest rate cut which was announced by the Federal Reserve the previous night.
- This morning sees the focus return to the UK after the release of weaker than anticipated GDP numbers earlier this morning.
- The UK's economy unexpectedly contracted by 0.1% in October, contrary to economists' expectations of 0.1% growth, and also shrank by 0.1% over the preceding three months due to declining manufacturing output and stagnant services growth.
- Vehicle manufacturing saw a slight recovery in October following a cyber-attack on Jaguar Land Rover in September, but production output remained significantly below August levels despite a 1.1% rebound for the month.
- The services sector also stalled in October with many analysts citing the negative sentiment in the run up the Budget release as a major drag.
- The poor GDP numbers have weighed slightly on sterling in early trade, and it has given up some ground against both the US dollar and euro.
- There is no further economic data releases due over the course of today.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3385
GBP/EUR	1.1405
EUR/USD	1.1734
EUR/GBP	0.8767
GBP/AUD	2.0047
GBP/CAD	1.8409
GBP/CHF	1.0641
GBP/DKK	8.5179
GBP/HKD	10.4170
GBP/JPY	208.45
GBP/NOK	13.489
GBP/NZD	2.3003
GBP/SEK	12.3940
USD/CNY	7.0551

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