Danske Bank Markets in Northern Ireland

Markets Update

Monday, 09 November 2026

- **Sterling, Euro and Dollar exchange rates -** GBP/USD is around 1.3389, GBP/EUR approximately 1.1990, and EUR/USD circa 1.1170 this morning. Sterling had a volatile week, reaching a seven-week high above 1.3500 against the dollar before closing at 1.3349 on Friday, as the post-BoE rally faded and robust US labour data strengthened the dollar. EUR/USD also reversed mid-week gains, falling from a high of 1.1272 to close at 1.1143.
- **Bank of England raises rates and signals further increases -** The Bank of England raised rates by 25 basis points to 4.00% on 05 Nov, its first hike in over three years. The MPC voted 8-1, with Catherine Mann favouring a 50bps increase. Governor Bailey signalled at least one further rise is likely if the US-Iran conflict keeps energy prices elevated. Markets price in around 76 basis points of further tightening through end-2027. This hawkish stance could support sterling near term, though some analysts view the implied terminal rate of around 4.75% as potentially too high, given mixed evidence of second-round inflationary effects.
- **Strong US jobs data raises expectations of a Fed rate hike -** The US added 165,000 jobs in October, more than double expectations, while unemployment fell to 4.1%, strengthening the case for further Fed tightening. Markets price a 78% chance of a 25-basis point hike on 08-09 Dec, with expectations for a subsequent rise brought forward to April from June. Markets see further dollar support against the euro and sterling if this week's inflation data reinforces the strong jobs picture and favourable rate differentials.
- **Week Ahead: US Inflation and UK Growth Data -** Tuesday's US October CPI is expected at 0.3% month-on-month for headline and 0.2% for core, with annual core inflation at 2.8%. Thursday brings UK Q3 and September GDP, industrial output, manufacturing and trade data, testing the economic resilience underpinning the BoE's hawkish stance and potentially influencing sterling. BoE Governor Andrew Bailey speaks today on central bank independence, followed by Chief Economist Huw Pill and Deputy Governor Clare Lombardelli later this week - markets will analyse their remarks for any signal on the pace of further tightening and whether the MPC's hawkish tone.

Market rates at opening	
GBP/USD	1.3390
GBP/EUR	1.1987
EUR/USD	1.1170
EUR/GBP	0.8341
GBP/AUD	1.9452
GBP/CAD	1.8871
GBP/CHF	1.0955
GBP/DKK	8.9606
GBP/HKD	10.4995
GBP/JPY	211.5900
GBP/NOK	12.6512
GBP/NZD	2.3914
GBP/SEK	13.1935
USD/CNY	6.6742

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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