

Markets Update

Wednesday, 13 May 2026

- Despite the positive vibrations following the US Treasury Secretary Scott Bessent's meeting with his counterparts in Japan, the yen is trading lower against USD. Despite the comments from the US offering a degree of support to the intervention into Japan's currency, hawkish US Fed bets have accelerated amongst traders following a hot US inflation reading sent treasury yields higher and provided strength to the greenback.
- UK government borrowing costs jumped on Tuesday with the markets uncertain of PM Keir Starmer's future. UK government 10 Year gilts have risen to 5.1% the highest in the G7. There has been a significant rise since 2022 from 1.1% when the UK were third highest in the G7 for borrowing costs. With 4 UK prime ministers during this period in the UK, the only constant markets analysts can rely on is change.
- GBP did manage to recover slightly yesterday during trading, in early trading it was on significant downward pressure and against USD, it met resistance at 1.3501 and this morning trades at the lower end of 1.3500. GBP/EUR did break 1.1500 yesterday and met resistance at 1.1498. The inverse EUR/GBP, also just below the big figure of 0.87.
- EUR/USD continues its downward trajectory currently just above 1.1700. All eyes will be on Euro zone data at 10:00 when employment, GDP and industrial production figures are released. Markets believe that weak data could put more pressure on the single currency and push the levels back below 1.1700, further enhancing the USD strength.

Market rates at opening

GBP/USD	1.3527
GBP/EUR	1.1549
EUR/USD	1.1712
EUR/GBP	0.8658
GBP/AUD	1.8690
GBP/CAD	1.8540
GBP/CHF	1.0569
GBP/DKK	8.6287
GBP/HKD	10.5916
GBP/JPY	213.3600
GBP/NOK	12.4287
GBP/NZD	2.2784
GBP/SEK	12.5803
USD/CNY	6.7905

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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