

Markets Update

Wednesday, 17 September 2025

Key news

- This morning started a potential busy few days in the markets with UK Inflation. UK headline inflation held at 3.8% in August. This is highest of any major advanced economy and many analysts believe that Bank of England are unlikely to move interest rates again in 2025. Core inflation that excludes Energy, Food and Tobacco surprisingly fell to 3.6% and this is putting slight pressure on GBP this morning with GBP/EUR at the lower end of 1.1500.
- Bank of England meet tomorrow and with expectations of the rate being held, all eyes are on the US Fed decision tonight. Expectations are for a 25-basis point cut and this seems to be priced into the markets. However, it is the possibility of a 50 Basis point cut and their updated rate projections that could cause a degree of volatility in US and Asian markets this evening.
- GBP/USD remains in the favour of USD buyers, sitting over 1.36 again this morning.
- European inflation is due this morning at 10:00 GMT and it is not expected to differ from the earlier flash releases of Headline inflation of 2.1% and core inflation of 2.3%.
- Outside of Macroeconomic data, US President Trump begins his second state visit to UK today. The UK government are hoping that this trip will cement the special relationship between the two nations, deepen economic ties and discuss tariffs and US inward investment.

Market Rates

Market rates at opening

GBP/USD	1.3636
GBP/EUR	1.1515
EUR/USD	1.1842
EUR/GBP	0.8684
GBP/AUD	2.0443
GBP/CAD	1.8762
GBP/CHF	1.0739
GBP/DKK	8.5953
GBP/HKD	10.6066
GBP/JPY	199.9500
GBP/NOK	13.3496
GBP/NZD	2.2844
GBP/SEK	12.6055
USD/CNY	7.1087

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