

## Markets Update

Tuesday, 15 July 2025

### Key news

#### Market rates at opening

- The dollar is hovering near a three-week high against major currencies this morning as traders await the release of U.S. inflation data later today, which could provide further clarity on the direction of monetary policy. The strength of the U.S. currency was further supported by rising Treasury yields, amid speculation over a potential departure of Federal Reserve Chair Jerome Powell, fuelled by continued criticism from President Donald Trump.
- China's economy slowed less than anticipated in the second quarter, demonstrating resilience against U.S. tariffs. However, analysts caution that subdued domestic demand and escalating global trade risks are likely to intensify pressure on Beijing to implement additional stimulus measures. Data released this morning revealed that China's gross domestic product (GDP) grew by 5.2% year-on-year in the April-June quarter, down from 5.4% in the first quarter.
- The 30% tariff on European goods proposed by U.S. President Donald Trump could, if imposed, profoundly impact Europe's economy, wiping out substantial parts of transatlantic trade and forcing a reevaluation of its export-driven economic model. European ministers, who met in Brussels yesterday, voiced optimism about their chances of negotiating with Trump before the 1 August deadline to reach a deal that safeguards the \$1.7 trillion two-way trade relationship.
- Looking ahead, the U.S. data schedule this week includes CPI inflation, retail sales, and industrial production. In the UK, the spotlight will be on inflation and labour market data, alongside remarks from Governor Andrew Bailey.

GBP/USD	1.3447
GBP/EUR	1.1504
EUR/USD	1.1688
EUR/GBP	0.8699
GBP/AUD	2.0479
GBP/CAD	1.8405
GBP/CHF	1.0694
GBP/DKK	8.5839
GBP/HKD	10.5532
GBP/JPY	198.610
GBP/NOK	13.6502
GBP/NZD	2.2429
GBP/SEK	12.9276
USD/CNY	7.1734

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