Danske Bank Markets in Northern Ireland

Danske Bank

Markets Update

Tuesday, 11 August 2026

- **Sterling holds firm as the dollar remains near recent lows:** Sterling is trading around 1.3507 against the US dollar, close to the three-and-a-half-week high reached on Friday, while EUR/USD is at 1.1538, around its strongest level since mid-June. GBP/EUR is broadly steady at 1.1706, with the euro slightly outperforming sterling over the past month.
- **Dollar softness remains a key FX theme:** Over the past month, GBP/USD has moved higher from around 1.3346 to 1.3507, while EUR/USD has risen from approximately 1.1381 to 1.1542. This reflects a period of broad dollar weakness, although the dollar index edged up 0.2% on Monday to 99.80.
- **Yen retraces intervention-driven gains:** USD/JPY is trading around 159.30, having recovered much of the move lower seen after the joint US-Japan intervention, which took the pair from around 163.70 to a low near 155.20 between 30 July and 3 August. Market focus remains on whether Japanese authorities will take further action if yen weakness continues.
- **Interest rate expectations diverge across major central banks:** The Bank of England's next rate decision is scheduled for 17 September, with markets currently pricing a quarter-point increase by December. In the US, the probability of a September Federal Reserve rate rise has eased to 52% from 67% a week ago following the latest payrolls data, while the ECB deposit rate is priced to move towards 2.7% by year-end from 2.25% currently.
- **US CPI and oil prices remain important market drivers:** US CPI data on Wednesday is expected to be a key focus for dollar direction this week. Oil prices also remain elevated, with Brent settling at USD 87.72 per barrel after rising around 5% on Monday, as uncertainty around the Strait of Hormuz continues to feed into energy, inflation and FX market considerations.

Market rates at opening	
GBP/USD	1.3507
GBP/EUR	1.1706
EUR/USD	1.1538
EUR/GBP	0.8542
GBP/AUD	1.9151
GBP/CAD	1.8817
GBP/CHF	1.0948
GBP/DKK	8.7508
GBP/HKD	10.5973
GBP/JPY	215.0600
GBP/NOK	12.8071
GBP/NZD	2.2978
GBP/SEK	12.8279
USD/CNY	6.7459

CONTACT INFORMATION

Contact Markets on 028 9089 1111 / 028 9089 1100

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