Markets Update

Thursday, 10 September 2026

- **Equities — Risk-off on oil shock:** there was a widespread sell-off in global equities yesterday as Brent crude surged above $100/bbl (touching $102) amid escalating US-Iran tensions, stoking fresh inflation fears. The S&P 500 fell for a third consecutive session, the Dow dropped over 600 points intraday, and the MSCI Asia Pacific Index fell 0.6% overnight.
- **Sterling remains in tight ranges -** Markets are pricing in nearly three BoE hikes over the next 12 months on the back of rising energy prices, but Governor Bailey recently pushed back on immediate tightening — leaving GBP caught between competing narratives. The upside for sterling is also being capped by the upcoming UK autumn budget, with the governments fiscal headroom reportedly reduced by roughly half due to higher borrowing costs - keeping investors cautious on sterling.
- **Key releases due today— ECB dominates :** The **ECB rate decision** is the headline event, with a 25bp hike widely expected. As ever, the tone of Lagarde's press conference will present short-term risks to the Euro. German final August CPI **is** also due, alongside Italy and Spain industrial production data. For USD, the market's primary focus remains Friday's US CPI report, which Fed officials — divided on the rate path — have flagged as potentially decisive for the September FOMC meeting. No major standalone UK releases are scheduled today.
- **GBP opens at 1.1645 vs EUR and 1.3553 vs USD.** Sterling could see some volatility today on the back of the ECB rate decision – particularly if Lagarde strikes a hawkish tone. The pound remains supported near seven-month highs on broad dollar weakness.

Market rates at opening	
GBP/USD	1.3553
GBP/EUR	1.1645
EUR/USD	1.1641
EUR/GBP	0.8587
GBP/AUD	1.8788
GBP/CAD	1.8714
GBP/CHF	1.0969
GBP/DKK	8.7037
GBP/HKD	10.6287
GBP/JPY	207.84
GBP/NOK	12.5043
GBP/NZD	2.3167
GBP/SEK	12.9980
USD/CNY	6.7061

CONTACT INFORMATION

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