

Markets Update

Friday, 25 July 2025

Key news

- Following yesterday's policy meeting, the European Central Bank chose to maintain ECB interest rates at their current levels. With inflation currently at the 2% target, traders reduced expectations of further ECB easing, with the likelihood of a rate cut in September now seen as one in four. Sterling dropped to its lowest level since November 2023 closing the day at around €1.1490.
- UK retail sales were up 0.9% in June as the warmer weather contributed to increased food and fuel sales. However, this fell short of the expected 1.20%. The GBP/USD declined following the weaker-than-expected data.
- US President Trump visited the Federal Reserve and advocated for interest rate cuts. US Fed chairman Powell has indicated that the Fed might consider cutting rates later this year if tariff-driven price increases do not lead to higher inflation. Officials are expected to keep rates unchanged at next week's policy meeting.
- Sterling opened this morning against USD at \$1.3469 and EUR at €1.1460.

Market rates at opening

GBP/USD	1.3469
GBP/EUR	1.1460
EUR/USD	1.1753
EUR/GBP	0.8725
GBP/AUD	2.0492
GBP/CAD	1.8415
GBP/CHF	1.0715
GBP/DKK	8.5542
GBP/HKD	10.5707
GBP/JPY	198.5100
GBP/NOK	13.6691
GBP/NZD	2.2400
GBP/SEK	12.8445
USD/CNY	7.1665

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