

## Markets Update

Wednesday, 28 January 2026

### Key news

- The pound continued to climb against the greenback for the 4<sup>th</sup> consecutive day as the dollar remains under pressure from a catalogue of issues in recent weeks ranging from geopolitical and tariff uncertainty to a reinvigorated sell America trades.
- Further hampering the dollar, market investors have been on alert regarding potential coordinated currency intervention by authorities in the US and Japan. Staying in the US, the latest consumer confidence numbers for January unexpectedly fell, diverging sharply from the recent University of Michigan survey which had painted a more optimistic picture. These sentiment indicators have sent somewhat conflicting signals lately but all else equal, this could fuel some further USD weakness.
- Outside the US, the EU and India have concluded a landmark trade agreement that will remove tariffs on over 90% of goods traded between the two economies. Under the deal India will lower tariffs on European manufactured cars and agricultural products, while the EU will ease duties on India's labour intensive exports which have been hit hard by the 50% tariffs announced by the US.
- Looking ahead to today, the main event will be tonight's FOMC meeting. Analysts are not expecting any monetary policy changes. The Fed will not be releasing any updated economic projections so attention will focus on Powell's assessment of recent economic data and the likelihood of further cuts this spring.

### Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3806
GBP/EUR	1.1506
EUR/USD	1.1998
EUR/GBP	0.8690
GBP/AUD	1.9699
GBP/CAD	1.8730
GBP/CHF	1.0565
GBP/DKK	8.5907
GBP/HKD	10.7703
GBP/JPY	210.4450
GBP/NOK	13.2425
GBP/NZD	2.2870
GBP/SEK	12.1528
USD/CNY	6.9455

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