

Markets Update

Friday, 13 June 2025

Key news

- It was a topsy turvy day on the currency markets yesterday with the pound losing ground against the euro whilst strengthening against a generally much weaker US dollar.
- The early news that saw a weak UK GBP number being posted for May was somewhat overshadowed by data later in the day which indicated that the US Producer Price Index (PPI) measure of inflation had increased less than expected in May.
- The news prompted traders to increase bets on back-to-back interest rate cuts in the US starting in September.
- As a result, the dollar fell significantly, as yesterday's number backed up weaker than expected CPI inflation data earlier in the week. The dollar decline was exacerbated by geopolitical tensions in the Middle East, driving investors towards safe-haven currencies like the Japanese yen, Swiss franc and increasingly towards the single currency which hit a 4 year high against the dollar.
- The dollar has regained some composure overnight and opens back below \$1.36 against the pound.
- Inflation data will be on the agenda again this morning with updates from Germany, Spain and France. Eurozone Industrial production data will round off a busy data week with a 1.3% contraction forecasted for the start of Q2.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3541
GBP/EUR	1.1733
EUR/USD	1.1539
EUR/GBP	0.8520
GBP/AUD	2.0898
GBP/CAD	1.8467
GBP/CHF	1.0971
GBP/DKK	9.7539
GBP/HKD	10.268
GBP/JPY	194.280
GBP/NOK	13.497
GBP/NZD	2.2501
GBP/SEK	12.868
USD/CNY	7.1805

CONTACT INFORMATION

Foreign Exchange & Treasury deposits: 028 9089 1111 / 028 9089 1100
Structured Term Loans: 028 9004 9617 / 028 9004 9602

EMAIL: markets@danskebank.co.uk

WEBSITE: www.danskebank.co.uk

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