

## Markets Update

Thursday, 09 October 2025

### Key news

- GBP was a mixed bag yesterday. Against a strong USD it gave up some ground; against EUR it rose slightly while concerns over the UK economy and next months eagerly waiting autumn budget kept markets on edge.
- A report by the BoE attracted some attention yesterday as the central bank warned that the risk of a sharp market correction has increased, noting that valuations appear stretched, in particular, AI focused tech firms. Analysts have observed a multitude of global risks such as heightened geopolitical tensions, fragmented trade and financial markets and pressures on sovereign debt could have a negative material effect on the UK should any of these crystallise, noting that the UK is an open economy and global financial centre.
- Overnight, Israel and Hamas have agreed on the first steps of a Gaza peace plan, including a hostage-prisoner exchange and the gradual withdrawal of IDF troops from Gaza. This development is seen as a huge diplomatic win for Donald Trump, however significant diplomatic challenges remain. The next few days, and the next week, will be critical as we will see whether the two sides comply with the agreed steps and whether they can agree on the next phase.
- Returning to financial markets, the minutes from the FOMC's September meeting, published last night, did not contain any surprises for markets with members divided in their outlook for inflation. The next key inflation release, the September CPI is scheduled for next Wednesday however it might get delayed by the ongoing government shutdown.
- Looking ahead to today, its light on the macro data front, however in the US, the Fed will host a community banking conference in Washington this afternoon and Fed Chair Powell is scheduled to give opening remarks which may attract some attention.

### Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3361
GBP/EUR	1.1503
EUR/USD	1.1615
EUR/GBP	0.8693
GBP/AUD	2.0300
GBP/CAD	1.8646
GBP/CHF	1.0728
GBP/DKK	8.5884
GBP/HKD	10.3951
GBP/JPY	204.4450
GBP/NOK	13.3609
GBP/NZD	2.3145
GBP/SEK	12.6523
USD/CNY	7.1274

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