

Markets Update

Tuesday, 10 March 2026

Key news

- Sterling was down yesterday amid fears that higher inflation would weigh heavily on the UK forcing the BoE to stop its interest rate cutting cycle and instead keep its benchmark borrowing rate unchanged and potentially increase it towards the end of this year.
- This is a rapid change in direction as markets as recently as two weeks ago were pencilling in not one but maybe two cuts this year by the central bank, however the America / Iran conflict has changed the outlook for inflation considerably.
- Government borrowing costs have also increased markedly as investors see the UK as more exposed than many other European countries to an energy price shock linked to the conflict due in part to weak government finances.
- Overnight, global markets have rebounded, following sharp declines yesterday, as Trump suggested the war in Iran could end soon, easing fears of inflationary pressure. The oil market has been on a roller coaster ride with Brent trading as high as \$119 per barrel early Monday morning before dropping as low as \$88 per barrel last night. At the time of writing, oil is approx. \$90 per barrel, as the market weighs Trump's comments, the possible easing of oil related sanctions on Russia and a potential release of strategic reserves. The key focus remains whether oil shipments through the Strait of Hormuz will resume.
- Attention remains firmly on the ongoing Middle East crisis and markets will be looking closely for any additional comments from the Trump administration confirming or rejecting the narrative that the war in the Middle East is coming to an end.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3471
GBP/EUR	1.1559
EUR/USD	1.1653
EUR/GBP	0.8650
GBP/AUD	1.8949
GBP/CAD	1.8291
GBP/CHF	1.0449
GBP/DKK	8.6347
GBP/HKD	10.5413
GBP/JPY	212.0050
GBP/NOK	12.9461
GBP/NZD	2.2702
GBP/SEK	12.2799
USD/CNY	6.8725

CONTACT INFORMATION

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