

Markets Update

Tuesday, 13 October 2026

Key news

- **Sterling edges higher versus the dollar but slips against the euro over the past 24 hours:** It was a quiet start to the week on the currency markets with the US in holiday mode for Columbus Day. The limited moves saw the pound regain some ground against the dollar as it moved off its lowest levels since June. The euro also gained some ground against the pound; however, it remains well above the €1.18 level.
- **UK growth forecast upgrade:** there was mixed news this morning for the UK chancellor (John Healey) ahead of the budget on 28th October. The IMF has just updated its forecasts and has indicated that UK growth would be more than previously expected this year before higher energy prices and interest rates hit growth in 2027. Growth this year is now expected to be 1.3%, up from the 1% it predicted in July.
- **UK GDP and trade data on Thursday are the key domestic release for sterling:** Whilst the IMF have published a more upbeat picture for the year, August's monthly GDP number is expected by economist to show a 0.1% contraction for the month. A weaker-than-expected monthly print could weigh on sterling, particularly given the BoE's sensitivity to growth data ahead of its November policy meeting. The 3-month measure is expected at +0.5%, consistent with modest but positive growth.
- **US CPI is the pivotal release of the week tomorrow:** Economists are forecasting US CPI at +0.6% MoM and +3.6% YoY for September, up from +0.4% MoM and +3.4% YoY in August, with core CPI expected at +0.2% MoM and +2.5% YoY. The release will be key as to whether a further interest rate hike will be delivered by the Federal Reserve before the end of this year. Cleveland Fed President Hanmack, signalled yesterday that rates may not yet be high enough to tame inflation, citing strong business pricing power.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3230
GBP/EUR	1.1825
EUR/USD	1.1188
EUR/GBP	0.8456
GBP/AUD	1.8993
GBP/CAD	1.8871
GBP/CHF	1.1024
GBP/DKK	8.8388
GBP/HKD	10.3817
GBP/JPY	209.38
GBP/NOK	12.6390
GBP/NZD	2.3617
GBP/SEK	13.2333
USD/CNY	6.6947

CONTACT INFORMATION

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