

Markets Update

Friday, 08 August 2025

Key news

- The Bank of England's (BoE) much awaited rate announcement on Thursday certainly kept things exciting. While the rate cut to 4.00% was widely expected, the close decision surprised the market.
- Four out of the BoE's nine policymakers voted to keep rates on hold. For the first time ever, the Monetary Policy Committee had to hold two votes—one prompted by a policymaker calling for a larger 50 basis point cut. Analysts believe this outcome suggests that more policymakers are focusing on inflation than many investors had anticipated.
- The pound made some gains, climbing above \$1.3430 against the dollar and nearly hitting €1.1540 against the euro.
- UK government bond yields (gilts) also rose, as traders revisited their expectations for further rate cuts this year.

Market rates at opening

GBP/USD	1.3446
GBP/EUR	1.1529
EUR/USD	1.1662
EUR/GBP	0.8673
GBP/AUD	2.0579
GBP/CAD	1.8459
GBP/CHF	1.0844
GBP/DKK	8.6059
GBP/HKD	10.5548
GBP/JPY	197.9800
GBP/NOK	13.7523
GBP/NZD	2.2535
GBP/SEK	12.8692
USD/CNY	7.1819

Upcoming Events

- Today is a quiet day on the data front.

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