Danske Bank Markets in Northern Ireland

Danske Bank

Markets Update

Friday, 04 September 2026

- **Sterling under Dollar weakness lifts GBP/USD and EUR/USD after Fed's Waller dials back rate hike rhetoric.** Federal Reserve Governor Christopher Waller signalled, he is inclined to keep rates on hold at the mid-September FOMC meeting, provided incoming data confirms inflation pressures are easing. Markets are now pricing a roughly 50% probability of a September rate hike, down from approximately 63% the previous day. GBP/USD closed at 1.3521 and is currently indicated around 1.3540, while EUR/USD is now quoted near 1.1630.
- **US non-farm payrolls today - markets expect a modest 56,000 gain.** Today's August employment report is the most closely watched release of the week. Consensus expectations point to 56,000 jobs added with the unemployment rate holding steady at 4.1%. A figure materially above consensus could reignite rate hike expectations and support the dollar against both sterling and the euro.
- **GBP/EUR edges lower as euro outperforms on the week - BoE Bailey and ECB's Lane both speak today.** GBP/EUR is currently indicated around 1.1640, reflecting modest euro outperformance over the past week. Both central bank heads feature on today's calendar: BoE Governor Andrew Bailey appears before the Treasury Committee, while ECB Chief Economist Philip Lane addresses a conference in Dublin. Markets will watch both with anticipation.
- **Geopolitical tensions keep oil prices elevated - Brent near $96 on Middle East supply disruption.** Brent crude settled at USD 95.52 per barrel on Thursday, having surged from USD 89.37 at the end of the previous week and touching an intraday high of USD 97.62 on Wednesday - a six-week peak.
- **Yen rally and broader risk appetite set the tone ahead of the European session.** While not one of the core pairs, the Japanese yen's 2% surge against the dollar to 155.47 on Thursday was the dominant FX move of the session and set the tone for broader dollar weakness that benefited sterling and the euro alike. Markets are pricing an 80% probability of a BoJ rate hike this month, with some traders speculating an even larger move is possible.

Market rates at opening	
GBP/USD	1.3542
GBP/EUR	1.1645
EUR/USD	1.1630
EUR/GBP	0.8587
GBP/AUD	1.8800
GBP/CAD	1.8675
GBP/CHF	1.0942
GBP/DKK	8.7040
GBP/HKD	10.6185
GBP/JPY	211.75
GBP/NOK	12.5840
GBP/NZD	2.2972
GBP/SEK	12.9090
USD/CNY	6.7109

CONTACT INFORMATION

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