

Markets Update

Thursday, 18 September 2025

Key news

- Yesterday, the US Federal Reserve cut interest rates by 25 basis points, marking the first rate cut since December. The Fed indicated it will continue to steadily lower borrowing costs for the rest of the year as concerns continue over the stalling job market. This is proving to have continued pressure on US dollar with GBP/USD pushing towards 1.3650 this morning.
- Eurozone inflation data came in lower at 2% compared to the 2.1% expected. Very little movement in GBP/EUR with trading just above €1.15 where it seems to be encountering resistance.
- In the UK it is widely anticipated that the Bank of England will keep rates at 4%. It is expected to slow the pace of its 100 billion pound government bond sales following volatility in the debt markets.
- As mentioned yesterday the British government borrowing costs and inflation currently stand as the highest among the Group of Seven advanced economies. The Bank of England projects inflation to peak at 4% this month and gradually decline, reaching its target by mid-2027.
- With UK retail sales data due out tomorrow morning the markets will be keeping a close eye on sterling to see if it continues to gain strength.

Market Rates

Market rates at opening

GBP/USD	1.3608
GBP/EUR	1.1527
EUR/USD	1.1805
EUR/GBP	0.8675
GBP/AUD	2.0538
GBP/CAD	1.8767
GBP/CHF	1.0756
GBP/DKK	8.6041
GBP/HKD	10.5828
GBP/JPY	200.4500
GBP/NOK	13.4103
GBP/NZD	2.3061
GBP/SEK	12.6648
USD/CNY	7.1079

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