

Markets Update

Friday, 09 October 2026

Key news

- The greenback retreated on Thursday as a rise in euro zone yields stalled, while expectations for rate hikes from the Fed this year remain largely intact with markets homing in on a 25bps increase later this year; comments from Fed Governor Waller suggest that hikes are required to get inflation to the Fed's 2% target, but added there was "flexibility" about the pace of increases and left the door open for a potential pause at the Fed meeting later this month.
- In the eurozone, the latest September ECB minutes offered little forward guidance with the policy discussion appearing broadly neutral with members noting no signs of second round effect from the energy shock and only limited indirect effects while stressing that higher longer term rates could materially weigh on growth and inflation.
- Looking at commodities, brent crude briefly topped USD\$105 per barrel, reaching its highest in almost a month, before easing slightly after President Trump said the US would not attack Iran before the midterm elections. Reports that China is set to resume refined fuel exports in October also helped ease the fuel market.
- All told sterling ended the day yesterday largely flat against the dollar and euro with BoE Governor Andrew Bailey saying governments needed to redouble their efforts in showing they can repair their public finances as bond markets around the world feel the strain of high levels of borrowing and rising inflation pressures.
- Looking ahead to today it appears to be a relatively quiet day on the economic data front with no UK centric data to give the pound direction. Markets will keep an eye out on the latest US consumer confidence data from the University of Michigan which is due for release. In September, consumer confidence fell to 48.1, marking one of the weakest readings on record since the series began in the 1950's, with only May 2026 showing a more negative assessment of the economy.

Market Rates

CCY pair	Market rate at opening
GBP/USD	1.3235
GBP/EUR	1.1788
EUR/USD	1.1227
EUR/GBP	0.8483
GBP/AUD	1.8957
GBP/CAD	1.8817
GBP/CHF	1.1000
GBP/DKK	8.8106
GBP/HKD	10.3876
GBP/JPY	209.3830
GBP/NOK	12.6556
GBP/NZD	2.3564
GBP/SEK	13.1751
USD/CNY	6.6970

CONTACT INFORMATION

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