

Markets Update

Friday, 01 December 2023

Key news

- The toposy turvy week on the currency markets continued yesterday with plenty of volatility over the course of the session.
- The US dollar regained some composure after a week of selling pressure as speculation grows that the Federal Reserve will sanction a first interest rate cut in the first half of next year.
- Inflation data yesterday from the US and the Eurozone showed that price pressures continue to ease in both geographies.
- The market consensus for cuts in the offing in the first half of 2024 is in stark contrast to the majority of policymakers who have continued to air concerns about inflation over the last few weeks.
- The pound has opened today on the front foot after early morning news from Nationwide showed that house prices rose unexpectedly in monthly terms in November. Prices rose by 0.2% in the month as the annual rate showed prices were 2% lower, the smallest drop in nine months.
- Manufacturing updates from the US, UK and Eurozone will provide the focus over the rest of today with all three readings expected to be flat in November.

Market rates at opening

GBP/USD	1.2654
GBP/EUR	1.1612
EUR/USD	1.0897
EUR/GBP	0.8611
GBP/AUD	1.9130
GBP/CAD	1.7120
GBP/CHF	1.1063
GBP/DKK	8.6578
GBP/HKD	9.8836
GBP/JPY	187.4700
GBP/NOK	13.6232
GBP/NZD	2.0528
GBP/SEK	13.2202
USD/CNY	7.1408

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