

Markets Update

Tuesday, 12 March 2024

Key news

- The pound has given up some ground this morning against both the US dollar and euro after the release of softer than expected unemployment data.
- The headline number showed an increase in the unemployment rate to 3.9% from 3.8% in the three months to the end of January.
- The earnings component of the data releases also surprised on the downside, for both with and without bonuses.
- The data will add to the argument that the Bank of England should begin its interest rate cutting cycle earlier.
- That view though is at odds to the Bank of England's policy maker Catherine Mann who warned yesterday that there is a long way to go to bring UK inflation sustainably down to the 2.0% target. Mann was one of the two policymakers who voted for a rate hike in February.
- The focus later today will turn to the US with US CPI inflation data scheduled for release. Headline inflation has remained stickier recently and analysts are expecting it to remain at 3.1% in February. Core inflation is expected to fall slightly to 3.7% from 3.9%.

Market rates at opening

GBP/USD	1.2780
GBP/EUR	1.1697
EUR/USD	1.0925
EUR/GBP	0.8546
GBP/AUD	1.9314
GBP/CAD	1.7222
GBP/CHF	1.1200
GBP/DKK	8.7240
GBP/HKD	9.9975
GBP/JPY	188.30
GBP/NOK	13.356
GBP/NZD	2.0727
GBP/SEK	13.086
USD/CNY	7.1745

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