

Markets Update

Monday, 13 May 2024

Key news

- Friday saw the release of UK GDP which revealed that the economy exited its shallow recession and grew by the most in nearly three years in the first quarter of 2024.
- GDP expanded by 0.6% in the three months to March according to the Office of National Statistics, its strongest growth since the fourth quarter of 2021 when it rose by 1.5%. The better than expected data wrong footed most economists with some market analysts suggesting that the stronger GDP numbers could delay the BoE's rate cut decision as it may result in upwards revisions to inflation at the next Monetary Policy Report.
- Looking at the currencies this morning, sterling starts the week at just over €1.16, against the greenback, the pound is currently worth approx. \$1.25.
- Looking ahead to today it appears to be a relatively quiet day with no major releases scheduled. Looking at the rest of the week, the focus in the UK will be tomorrow's latest employment numbers, in particular the wage growth component as the BoE is closely watching this as it debates on the timing of any potential future rate cut.
- Elsewhere, the focus for the remainder of the week will primarily be on US inflation for April which is due Wednesday. In Europe, the German ZEW survey for May is released followed by euro area industrial production on Wednesday. Staying in the euro zone, Friday brings final inflation data for the euro area.

CCY pair	Market rate at opening
GBP/USD	1.2525
GBP/EUR	1.1621
EUR/USD	1.0778
EUR/GBP	0.8605
GBP/AUD	1.8970
GBP/CAD	1.7131
GBP/CHF	1.1356
GBP/DKK	8.6688
GBP/HKD	9.7862
GBP/JPY	195.2190
GBP/NOK	13.6079
GBP/NZD	2.0839
GBP/SEK	13.5959
USD/CNY	7.2347

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