

Daily commentary

Tuesday, 22 May 2018

Key news

- Cable at lowest level so far in 2018
- Focus on UK data due later this week

Markets overview

Good morning,

The pound fell to its lowest level against the dollar since the start of 2018 as the dollar surged and the prospect of the Bank of England raising interest rates this year dwindled. At one point yesterday, sterling dropped to a five month low of \$1.3412 after news that China and the US would put talk of a trade war on hold. The US had threatened to impose hundreds of billions of dollars worth of tariffs on Chinese products, prompting rapid retaliation from Beijing which last month announced its own tariffs on key US products including soya beans, aeroplanes and cars.

In the UK, inflation (Wednesday) and GDP numbers (Friday) are due to be published which should provide the markets with some guidance on how soon the BoE might look to raise rates. Higher than expected inflation or GDP numbers would increase the likelihood of an interest rate rise when the Banks Monetary Policy Committee meets in August.

Focus today

No global market movers are being released today, but developments in the geopolitical sphere will remain of market interest. Brexit negotiations will resume in Brussels today and South Korean President will visit Washington to discuss North Korea ahead of the upcoming meeting in June between US President Trump and North Korean Leader Kim Jong-un.

Have a good day - Andrew

Market movers today:

Market rates

CCY pair	Market rate at opening
GBP/USD	1.3454
GBP/EUR	1.1396
EUR/USD	1.1802
EUR/GBP	0.8775
GBP/AUD	1.7698
GBP/CAD	1.7170
GBP/CHF	1.3407
GBP/DKK	8.4868
GBP/HKD	10.5605
GBP/JPY	149.4500
GBP/NOK	10.8261
GBP/NZD	1.9298
GBP/SEK	11.6659
USD/CNY	6.3709
LIBOR (last business day setting)	
GBP 1 month	0.49956
GBP 3 month	0.62281
GBP 6 month	0.7463
Commodities and Stock Markets	
Crude oil (\$/barrel)	79.76
Gold (\$/oz)	1291.99
FTSE 100	7858.79
Dow Jones	25013.29
Nikkei 225	22960
Hang Sang	29978.2
German DAX	12730.34

Source : Reuters

Source Reuters

Danske Bank Markets in Northern Ireland

Today's Major Data Releases - source: Reuters

Time	Region	Event	Period	Expectation
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