

Markets Update

Wednesday, 01 May 2024

Key news

- The currency markets open today in familiar territory after yesterday's Eurozone data had limited impact.
- Inflation held steady as expected in April but an underlying indicator on price pressures showed further slowing. The news will help reinforce the growing market view that the European Central Bank will be able to lower interest rates in early June.
- The other headline news from the Eurozone yesterday saw GDP expanding by a more than expected 0.3% in Q1.
- Attention turns to the US later today with the Federal Reserve expected to hold interest rates at the 5.25%-5.50% range. The post announcement press conference will be closely watched for any clues of the central bank's policy path in light of recent data on inflation and the labour market. The markets continue to push back expectations for the timing of cuts this year in the US.
- Most of Europe is on its Labour Day market holiday so activity could be muted ahead of the US policy update after European close.
- The only UK data release of note today is the S&P Manufacturing PMI due later this morning.

Market rates at opening

GBP/USD	1.2478
GBP/EUR	1.1705
EUR/USD	1.0660
EUR/GBP	0.8539
GBP/AUD	1.9253
GBP/CAD	1.7185
GBP/CHF	1.1491
GBP/DKK	8.7300
GBP/HKD	9.7620
GBP/JPY	197.10
GBP/NOK	13.884
GBP/NZD	2.1195
GBP/SEK	13.762
USD/CNY	7.2401

CONTACT INFORMATION

Foreign Exchange & Treasury deposits: 028 9089 1111 / 028 9089 1100
Structured Term Loans: 028 9004 9617/028 9004 9602

EMAIL: markets@danskebank.co.uk

WEBSITE: www.danskebank.co.uk

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