



GBP/EUR

Weekly FX Report

Fundamental Analysis

Recent developments

GBP/EUR price action has been muted, with Middle East development affecting both currencies despite some idiosyncratic differences in risk sensitivity and rate policy outlook. The 'ceasefire' last week removed a whole 0.25% hike out of future expectations for BOTH the ECB and BoE. Sterling is slightly firmer this morning on Starmer's move toward 'dynamic alignment' with the EU. Scheduled data for both regions is light this week – UK GDP on Thursday and Lagarde's speech tomorrow are the highlights.



'Sterling enjoys a slight uplift from move toward dynamic alignment with EU'

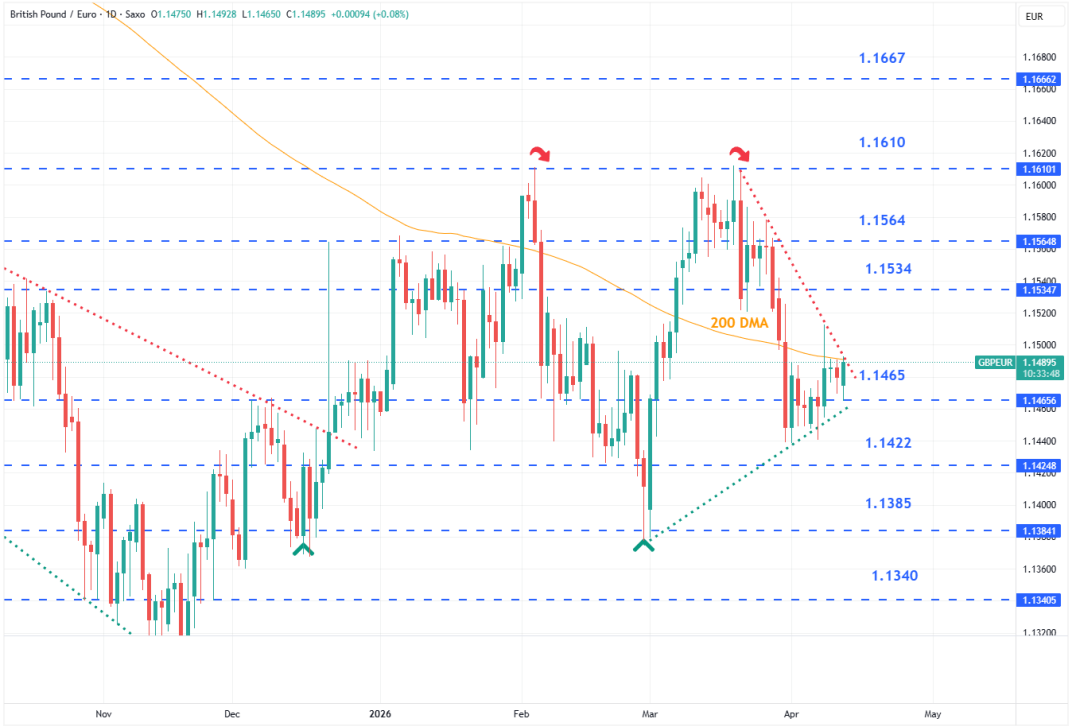
Whenever any semblance of an improvement to trade related integration with the EU is mooted, sterling tends to enjoy some uplift (even if transient). Starmer's move toward dynamic alignment with the EU allows the UK to follow EU laws in certain sectors such as food safety, and update UK law without parliamentary approval. The topic will remain politically volatile, especially from pro-Brexiteers. While GBP/EUR enjoys a technical bounce early this week, the probabilities of a push into the mid 1.15's are fading.

Lagarde comments to shed light on latest policy thinking

The ceasefire prompted a sharp sell off in Oil last week and allowed interest rate markets to remove a whole rate hike from the ECB and BoE. This can be added back on as quickly as it was removed. Despite this, markets remain confident that the ECB are likely to maintain a hiking bias more readily than the BoE. In politics, the right wing, Trump aligned, political movement within Europe received a blow over the weekend with the victory in Hungary for Magyar, and a defeat for Orban. Whilst not a clear driver for the euro (Hungary is not a member of the single currency) it does indicate a shift away from more polarizing right- wing politics which has been more prevalent in recent European elections.

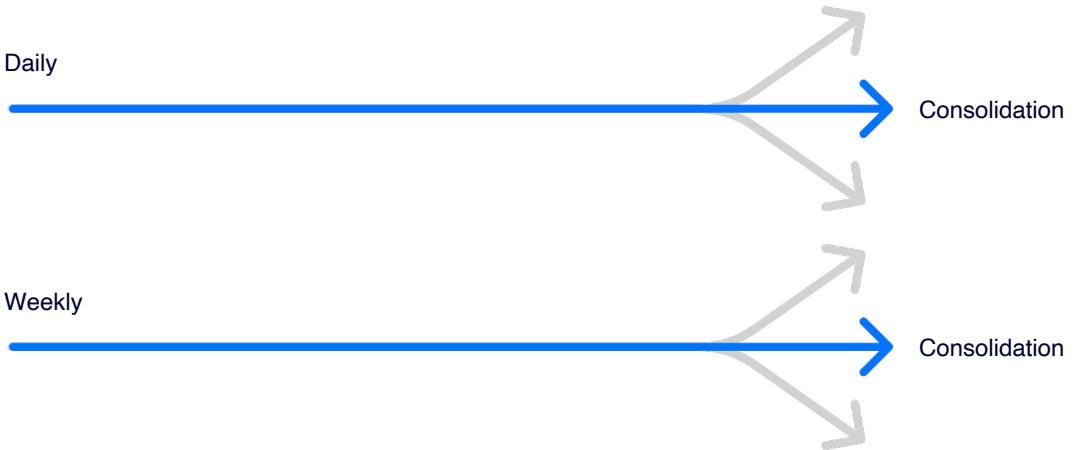
GBP/EUR Daily Chart

IFX Payments created with TradingView.com, Apr 13, 2026 11:26 UTC



TradingView

Market Condition



Technical Analysis

Price action is in a consolidation, forming a 'coil' whereby trendline resistance and support are converging toward a single point. Near term market action has been holding at the 1.1465 level which has been a mainstay of recent commentary. A 'pop' above the trendline resistance and the 200 DMA at 1.15 is possible, but we expect any such strength to be faded by the market. 1.1440 is demonstrating clear technical support to the downside, with 1.1385 the longer-term technical support level.

Upside

1.1490

—
Trendline resistance
And the 200 DMA sit
here.

1.1534

—
The first upside target if
a rally is seen but may
be faded.

1.1610

—
Ultra-consistent
technical resistance
evident here!

Downside

1.1465

—
Nearby technical support
evident here over the last 8
days.

1.1422

—
Further chart technical
support level.

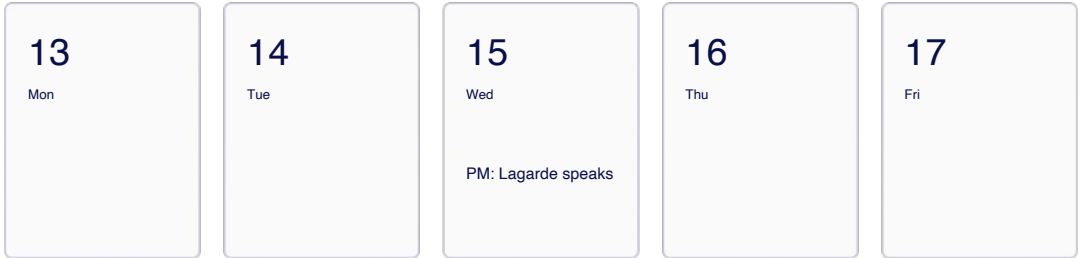
1.1385

—
Downside target for
the next leg of
technical weakness.

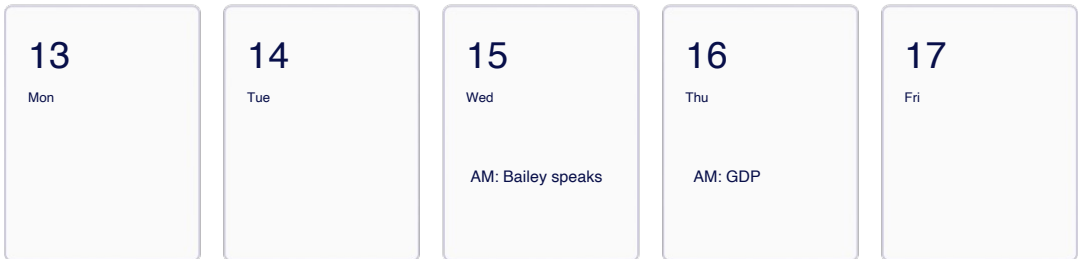
Looking Ahead

A look ahead to the key scheduled data releases for the week

EUR



GBP



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