



GBP/USD

Weekly FX Report

Fundamental Analysis

Recent developments

GBP/USD jumped higher to test the 1.3480 technical level last week as the last minute ‘ceasefire’ between US and Iran prompted a sharp rally in US equities, a slump in Brent Crude and a bout of dollar weakness. Such moves are the expected outcome in a de-escalation environment... but will it last? There remain very few points within the ceasefire agreement that the US and Iran are aligned on. Talks between the US and Iran over the weekend yielded very little. Negotiation developments remain the focus as the two-week ceasefire will draw to a close at the end of this week.



‘Bailey may shed some light on latest BoE policy thinking this week’

Sterling will continue to find tangential support from bouts of ‘risk on’ when middle east developments err on the side of de-escalation, and vice versa. We remain skeptical over the BoE’s appetite to hike rates any time soon. Governor Bailey speaks twice this week (Tues & Weds), and markets will use this as an opportunity to gain some clarity on their latest thinking. Thursday’s GDP data is the domestic highlight, with forecasts for just +0.1% added for the month. Growth expectations are already low so we don’t feel this has capacity to rewrite the growth narrative. In general, any sterling gains will be hard to come by in the medium term.

Dollar remains at the whim of middle east developments

The ceasefire prompted a bout of dollar weakness last week, but, as we discussed in recent commentary (and last week’s webinar which you can [watch on our website](#)), the two parties remain far apart on various issues, and the risk of further bouts of equity/oil/bond market volatility remains present. This should generally lead to the dollar remaining supported, as seen by last night’s market opening; the dollar rallied following weekend talks between the US and Iran where little progress was made and Trump kept his rhetoric, predictably enough, combative. Looking across markets, FX volatility is quite muted and there does appear to be a degree of “we’ve seen this all before”. In scheduled data, Tuesday’s PPI (changes in price of *finished* goods and services) will provide a monthly update on inflationary pressures in the US economy and is expected to rise to 1.2%, up from 0.7% last month. There is also a heavy schedule of FOMC members due to speak across the week, which will provide some updated musings on inbound rate policy which of course remains a hot topic.

GBP/USD Daily Chart

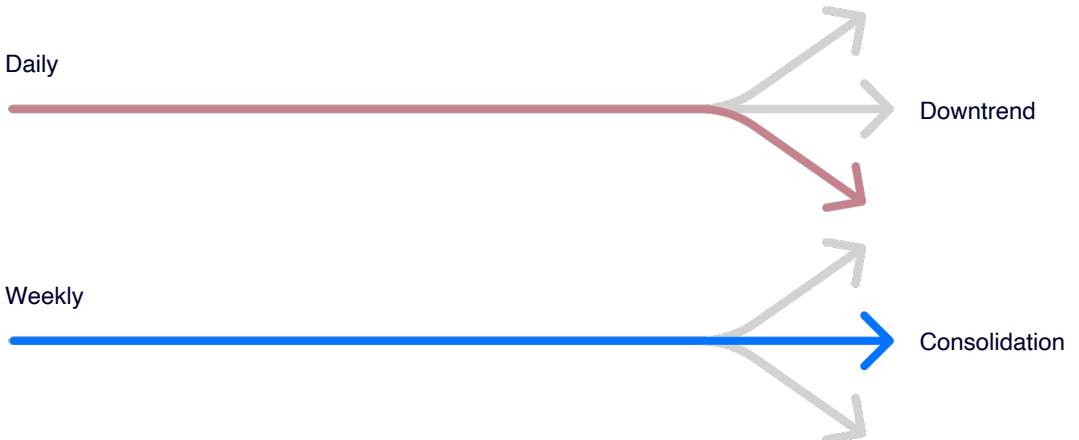
IFX Payments created with TradingView.com, Apr 13, 2026 09:07 UTC

British Pound / U.S. Dollar - 1D - FX/CM 01.33812 H1.34340 L1.33805 C1.34286 -0.00261 (-0.19%)



TradingView

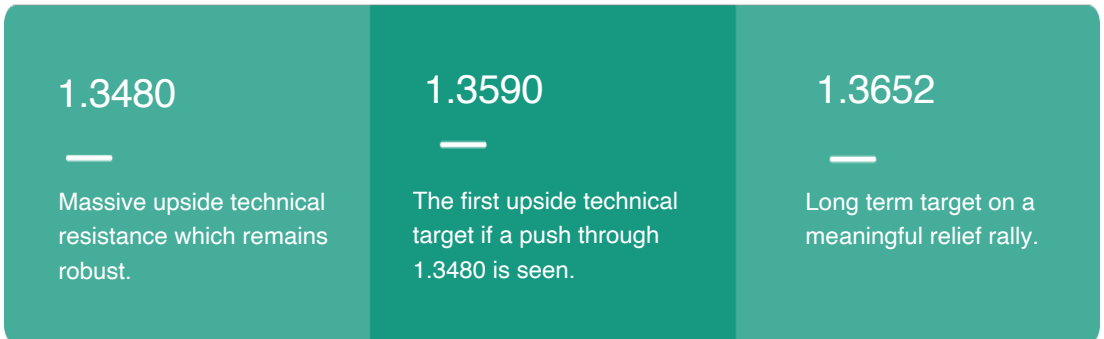
Market Condition



Technical Analysis

Price action has been failing, on multiple occasions, at the upside resistance level of 1.3480 - a level we have highlighted in our recent commentaries. Technically, a close above this level for two or three days would constitute a bullish development and elicit further constructive market action. We do not see this as a likely outcome under current fundamental themes. To the downside, there is light technical support at 1.3342, with longer term support at 1.3140 which could be a longer-term technical target should we see a return of equity market weakness and US dollar safe-haven buying pressure.

Upside



Downside



Looking Ahead

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

GBP

13 Monday	14 Tue AM: Bailey speaks	15 Wed AM: Bailey speaks	16 Thu AM: GDP	17 Fri
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USD

13 Monday	14 Tue PM: Core PPI PPI	15 Wed PM: Empire state manufacturing Index	16 Thu PM: Unemployment claims	17 Fri
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