PAYMENTS

WEEKLY FX REPORT

GBP/EUR

Fundamental Analysis

Recent developments

Sterling is a touch weaker versus the euro to kick off the week, but continues to trade in tight, low-volatility ranges. The ECB pulled the trigger on a 0.25% rate hike last week, a move which will not be replicated by the BoE on Thursday. This BoE meeting will yield no such rate change.

However, the vote split within the nine-member MPC will be watched by the market as a signal of appetite for potential future hikes. On the same day, the Makerfield by-election is expected to see a win for Andy Burnham, which has been a source of sterling weakness during his recent ascendancy.

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> **‘Vote split within the MPC a key point of interest on Thursday’**

With rates on hold, the market will look at how the nine-member MPC votes. The previous meeting saw an 8-1 to hold (Huw Pill voted to hike), and the market may support sterling further if Megan Greene also votes to hike this time around. After the peace deal news, the MPC may see decreased inflation risks going forward, given softer oil prices, and thus a reduced risk of entrenched inflation pressures. Burnham is the clear favourite to win the by-election. The previous market reaction to Burnham has been sterling negative, but he has been cognisant of market moves and has stated, for now, that he would adhere to fiscal discipline. It remains unlikely that a meaningful breakout of recent price ranges is seen this week.

ECB front-runs BoE on rate-hike pathway

The ECB raised rates by 0.25% last week as expected. Lagarde did not explicitly signal a consecutive rate hike for the July meeting. However, another full hike is priced by the September meeting, leaving the ECB in tightening mode well ahead of the likes of the BoE and Fed. Interestingly, ECB members who have spoken since the meeting last week have sounded more hawkish – Austria's Kocher stating that the ECB needs to act more "decisively". In our view, the news of a peace deal (however fragile it may be) is taking some inflation heat off the ECB, and we see a hold in July. A hike last week followed by a likely hike in September could mean two hikes from the ECB in a period where the BoE stays on hold, meaning, ceteris paribus, sterling should be unable to sustain a meaningful rally against the euro. Lower oil prices post the US/Iran deal broadly affect both the UK and eurozone in a similar way, given that both economic regions are net importers of energy.

GBP/EUR Daily Chart

IFX Payments created with TradingView.com, Jun 15, 2026 10:55 UTC+1

TradingView

This TradingView graph has been modified to display ‘trendline resistance’ and ‘trendline support’.

Market Condition

Daily
Consolidation

Weekly
Consolidation

Technical Analysis

Price action remains in both a daily and weekly consolidation, meaning there is no prevalent trend in place, and price action trading sideways, oscillating between upside resistance and downside support. Once again, long term upside resistance is evident at 1.1610 and we see very little probability that this upside level will be breached in the short or medium term. There may be a slight bias toward downside risk this week around the Makerfield by-election.

Upside

1.1585

The first upside level to offer resistance.

1.1610

Massive upside resistance level - one of the biggest in G10 FX right now.

1.1667

A break above here would be a major bullish development.

Downside

1.1564

Recent intra-day support seen here.

1.1512

Medium term downside support very evident here.

1.1465

Major long term technical support here, unlikely to be tested any time soon.

Looking Ahead

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

GBP

15 Monday	16 Tue	17 Wed	18 Thu	19 Fri
		AM: CPI m/m	AM: Claimant count change PM: Bank of England meeting	AM: Retail sales

EUR

15 Monday	16 Tue	17 Wed	18 Thu	19 Fri
AM: Lagarde speaks	AM: German economic sentiment			

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