PAYMENTS

WEEKLY FX REPORT

GBP/USD

Fundamental Analysis

Recent developments

GBP/USD begins the week edging higher, as we get news of a US/Iran peace deal, due to be signed in Switzerland this week. That's prompted an aggressive surge in equity markets, and wider 'risk on' surges, resulting in a commensurately weaker dollar. Markets now see this as a tangible deal, as opposed to negotiation posturing.

> **'Super Thursday inbound as peace deal drives wider risk on moves'**

Both the BoE and Fed meet this week. Although both are *very* likely to hold rates (no change), the meetings contain intrigue and nuance which will be a laser focus for the markets. Things to look out for include; what tone will new Fed Chair Warsh strike in his first meeting? How will the nine member MPC vote be split?

While the peace deal is, in a vacuum, bullish for GBP/USD, Thursday sees both the BoE meeting and the Makerfield by-election. 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.

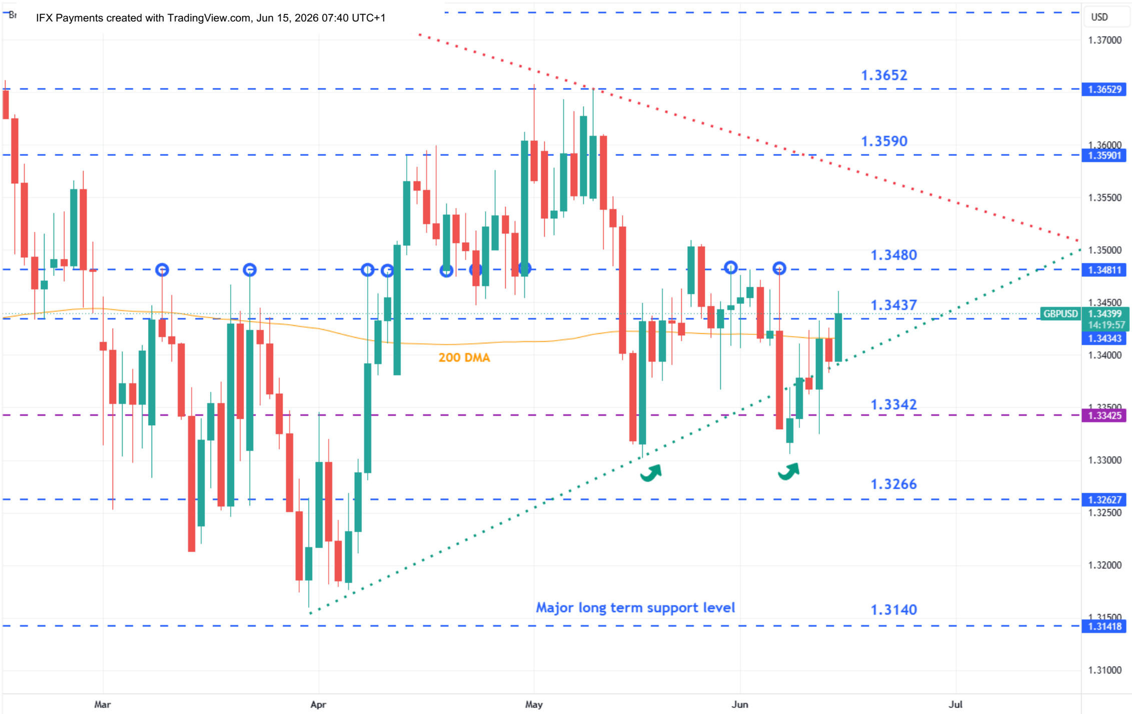
Warsh to hold first meeting as Fed Chair

The peace deal, this time, looks to be the real deal. Markets, of course, have reacted strongly with equities bid, oil lower, and the dollar softer. Should the market see tangible increased shipping flow through the Strait of Hormuz, these market moves should meaningfully extend. The disinflationary impact of this will begin to curb the inflation risks for central banks, including the Fed, who had become more hawkish for Q4. The risk to this medium-term view would lie in any military strikes which break the ceasefire, or intransigence on Iran's behalf vis-à-vis its nuclear programme.

Markets fully expect the Fed to hold rates unchanged this week, but the real focus will be on Kevin Warsh – the new Fed Chair. Many assume that Warsh is ideologically dovish, and of course Trump is permanently advocating for rate cuts. The tone and language used by Warsh will be absolutely pivotal – with the labour market very strong, the inflation side of the Fed mandate is the focus (which last week was >4%, more than double the target). A focus on fighting inflation would be seen as hawkish and dollar supportive, but perhaps the ceasefire news will pave the way for Warsh to acknowledge some reduced inflation risk in the longer-term forecast.

GBP/USD Daily Chart

IFX Payments created with TradingView.com, Jun 15, 2026 07:40 UTC+1



TradingView

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

Market Condition

Daily
Consolidation

Weekly
Downtrend

Technical Analysis

We stated last week that “the1.3302 is the first nearby technical level from which a moderate bounce may be seen”. Price action has indeed bounced from this level and remains confined to the recent consolidation range. Once again, the upside is laser focused on a test of the massive 1.3480.

A break above the 1.3480 would need to hold for two days to prove that it won’t be faded by the market. Such a break would draw in fresh buying for this pair, predicated on positive technical developments. Under current fundamentals, we should continue to see 1.33 as solid technical support unless Thursday’s by-election causes significant sterling weakness.

Upside

1.3417

The 200 DMA sits here and has been broken to the upside to begin the week.

1.3480

Huge technical level will remain a tough nut to crack to the upside.

1.3590

Long term resistance evident here.

Downside

1.3395

Trendline support lies here and may offer near term support.

1.3303

Meaningful technical level which may cap the downside this week.

1.3140

Massive long term technical support area.

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

USD

15 Monday	16 Tue	17 Wed	18 Thu	19 Fri
		PM: FOMC meeting	PM: Philly Fed manufacturing index	BANK HOLIDAY

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