



GBP/EUR

Weekly FX Report

Fundamental Analysis

Recent developments

GBP/EUR traded softer last week as the Gordon and Denton by-election yielded a win for the Green party candidate - a terrible result for Labour that piles yet more pressure on Starmer. The US/Iran conflict has caused a classic market reaction of higher oil prices, weaker equities and inflows into safe-havens (Gold/CHF/USD) which tends to hurt sterling (as a risk sensitive, pro cyclical currency) more than the euro.



‘GBP more susceptible than euro during bouts of macro volatility’

There are numerous examples in recent history of sterling’s susceptibility during times of macro ‘risk off’. Aside from the Gold and Oil market reaction, we see the current FX moves as very orderly and in no way extreme. We expect GBP/EUR moves to remain orderly. This weeks’ Spring budget forecast will be an ‘economic and fiscal update’ lacking any major new tax or spending announcements, thus not expected to cause sterling volatility. With a light UK data schedule, we expect US/Iran headlines to be the main driver of price action this week.

Euro moves contained amidst geo-political escalation

In general, the fundamental drivers of the euro are in relative stasis at the moment; Lagarde is happy with the current rate policy, inflation is near to the 2% target, eurozone data has generally fallen in line with expectations, and the growth outlook is expected to show resilience following last year’s fiscal package. The eurozone has improved its exposure to reliance on energy imports, but does remain a net importer, but the same is true of the UK, hence the recent US/Iran conflict should not disproportionately affect this currency pair. Tuesday’s eurozone inflation is expected to deliver a 2.2% print on the core reading, although the market may somewhat overlook this given the slightly inflationary impact of developments since the data was gathered.

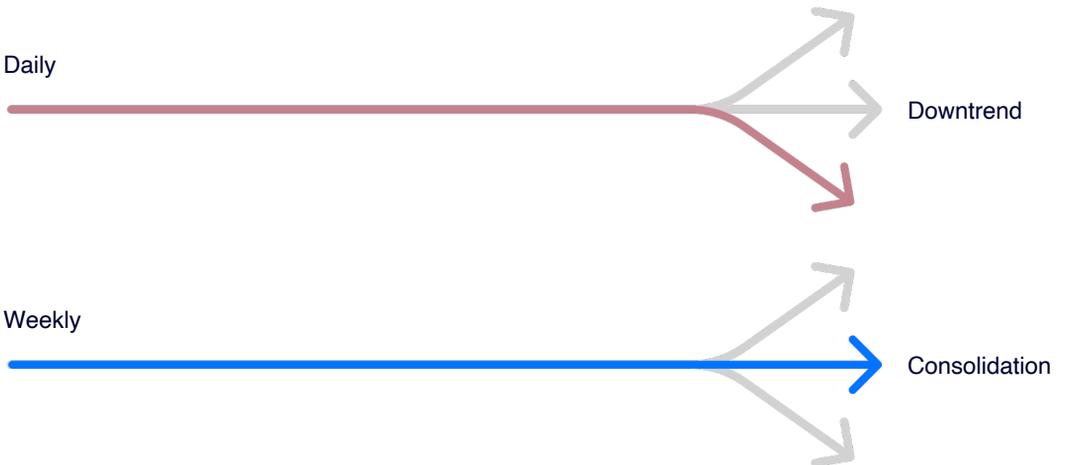
GBP/EUR Daily Chart

IFX Payments created with TradingView.com, Mar 02, 2026 11:08 UTC



TradingView

Market Condition



Technical Analysis

Price action is now trading within a neat downtrend channel, enveloped within trendline support and trendline resistance. This morning's sell off has tested and held the 1.1385 technical level, eliciting a bounce from the level and trendline support. Should a further bounce be seen, the move is likely to be capped by the 1.1465 and trendline resistance. Should a bout of weakness hot the cross, 1.1340 is a massive downside level where we would expect chart support to play a significant role.

Upside

1.1465

—
The first upside resistance above spot price action.

1.1534

—
Expect a test of this level to be sold into. Unlikely to be reached this week.

1.1564

—
A meaningful shift in fundamentals required for this to be broken to the upside.

Downside

1.1385

—
Recent price action has held this technical level.

1.1340

—
Massive technical support here. Bounce likely from here if tested.

1.1280

—
Big chart support area from Q4 2025.

Looking Ahead

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

EUR

| | | | | |
|---|--|------------------|--|------------------|
| 02 Monday PM: Lagarde speaks | 03 Tue AM: Eurozone inflation | 04 Wed | 05 Thu AM: Lagarde speaks | 06 Fri |
|---|--|------------------|--|------------------|

GBP

| | | | | |
|--|---|------------------|------------------|------------------|
| 02 Monday AM: Final Manufacturing PMI | 03 Tue AM: Spring Budget | 04 Wed | 05 Thu | 06 Fri |
|--|---|------------------|------------------|------------------|

The contents of this article do not constitute financial advice and are provided for general information purposes only. While the content is based on information believed to be accurate at the time of publication, no guarantee is provided. Links to third-party websites are included for convenience only, and IFX Payments holds no responsibility for the content, services, products, or materials on those sites.



IFX (UK) Ltd, trading as IFX Payments, registered in England and Wales. Company Number: 05422718. Registered Office: 33 Cavendish Square, London, W1G 0PW, United Kingdom. IFX (UK) Ltd is authorised and regulated by the Financial Conduct Authority under the Electronic Money Regulations 2011 (FRN 900517) for the issuing of electronic money.

IFX (UK) Ltd is registered as a Foreign Money Services Business ("FMSB") with the Financial Transactions and Reports Analysis Centre ("FINTRAC") (Reg. No.: M23400543).