



# GBP/EUR

Weekly FX Report

## Fundamental Analysis

### Recent developments

GBP/EUR has remained in tight ranges over the last week, as markets await further developments in the Middle East, next week's central bank meeting bonanza and further scrutiny for PM Starmer over the Mandelson affair which ramps up today. We still think the domestic political situation creates a headwind for sterling, and intra-day market reactions around this subject thus far have leaned more toward sterling weakness upon headline developments.



**'A busy week of UK data inbound, as Starmer faces further scrutiny over his judgement'**

Sterling is braced for a heavy week of UK data. Wednesday's CPI (inflation) is forecast at 3.3% - a print above this is more likely to ignite stagflation concerns than overt sterling bullishness over rate hikes. Gov. Bailey has been pushing back against this. Jobs data will be watched for signs of easing pay inflation, and the manufacturing & services PMI data will shed some light on business sentiment. For Starmer, it is clear he has 'dug his heels in' but pressure is mounting given that no matter what today's outcome is, the appointment of Mandelson appears to show a clear lack of judgement.

### Lagarde adheres to the 'wait and see' approach

The near-term task for central bankers isn't an easy one; how to juggle inflation concerns with negative impacts on economic growth. The inflation path is inextricably linked to the duration of higher oil prices which in turn is linked to the constantly changing US/Iran development which, frankly, can change every 48 hours(!) What is clear for Lagarde is more time is needed to assess the above, and as far as markets are concerned, expectations remain skewed more towards a hike or two this year. We find it difficult to therefore see a long-term outcome that would allow sterling to gain an advantage over the euro all else unchanged.

# GBP/EUR Daily Chart

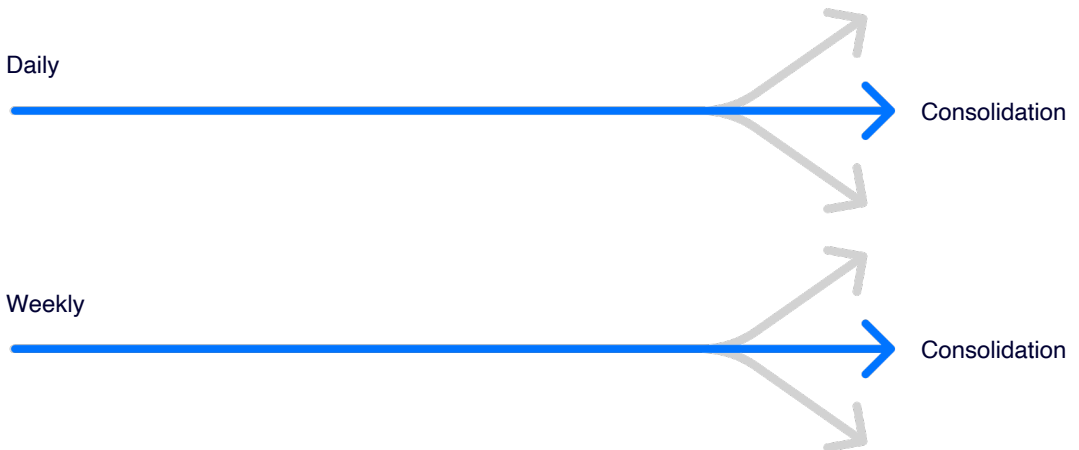
IFX Payments created with TradingView.com, Apr 20, 2026 11:13 UTC

British Pound / Euro - 1D - Saxo O1.14849 H1.15037 L1.14100 C1.14850 -0.00058 (-0.05%)



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. Short-term rallies continue to be faded by the market and moves into a 1.15 handle look difficult to hold. We continue to see technical support around 1.1440 and 1.1422 and there may not yet be the fundamental ingredients for price action to meaningfully break out of recent ranges until more fundamental developments are seen.

### Upside

1.1485

—  
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  
two weeks.

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

<b>20</b> Monday	<b>21</b> Tue	<b>22</b> Wed  PM: Lagarde speaks	<b>23</b> Thu  PM: Manufacturing & services PMI	<b>24</b> Fri
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## GBP

<b>20</b> Monday	<b>21</b> Tue  AM: Claimant count change	<b>22</b> Wed  AM: CPI (inflation)	<b>23</b> Thu  AM: Services & Manufacturing PMI	<b>24</b> Fri  AM: Retail Sales
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