



# GBP/USD

Weekly FX Report

## Fundamental Analysis

### Recent developments

GBP/USD suffered sharp downside moves last week, initiated by a rise in jobless claims and a slowdown in wage growth, before the headline inflation fell to 3% (in line with our forecast consensus, and down from 3.4%) which of course reinforced the market's view that this will prompt a more dovish rate cut path from the BoE. Concurrently, the dollar continued to edge higher, as US/Iran geopolitical developments became an increasing focus for markets.



**'Data keeps BoE  
on dovish rate  
path'**

Early year gains have almost all been erased. Much of last weeks' weakness is reflective of the market seeing a BoE March rate cut as a 'done deal'. The scope for a shift from two 0.25% cuts in 2026 to three has also increased, subject to inbound data. Unemployment hitting the highest levels for five years has kept market sentiment defensive. Revisiting the GBP/USD levels seen in January now looks unlikely. The big technical level of 1.3437 has held this morning, and with a lack of UK data this week, tariff developments and US/Iran headlines will drive price action, led by the dollar side of the equation.

## Dollar buffeted by geopolitical and tariff crosswinds

After many months of waiting, Friday finally saw the Supreme Court declare IEEPA tariffs unlawful, which has been met with Trump ramping up global tariffs to 15% under the section 122, which can hold for 150 days (after which congressional approval is required). This has caused some risk off / dollar weaker action to begin the week. Trump has ramped up his ultimatum to Iran over its nuclear programme, allowing markets to receive an increased likelihood of military action. In this context, the dollar has rallied a touch, alongside a move higher in oil (the strait of Hormuz facilitates 20% of seaborne oil transportation). We simply do not know if Trump will escalate further, but the risk of such escalation should keep the dollar, oil and safe havens such as Gold in a more volatile state. On balance, the expectation is higher for military action than for a successful negotiation. Interestingly, an algorithm focused on Bloomberg news headlines with regards to Fed language suggests communicate is at it's most hawkish for over a year, which should help to keep the dollar supported outside of current headline driven volatility.

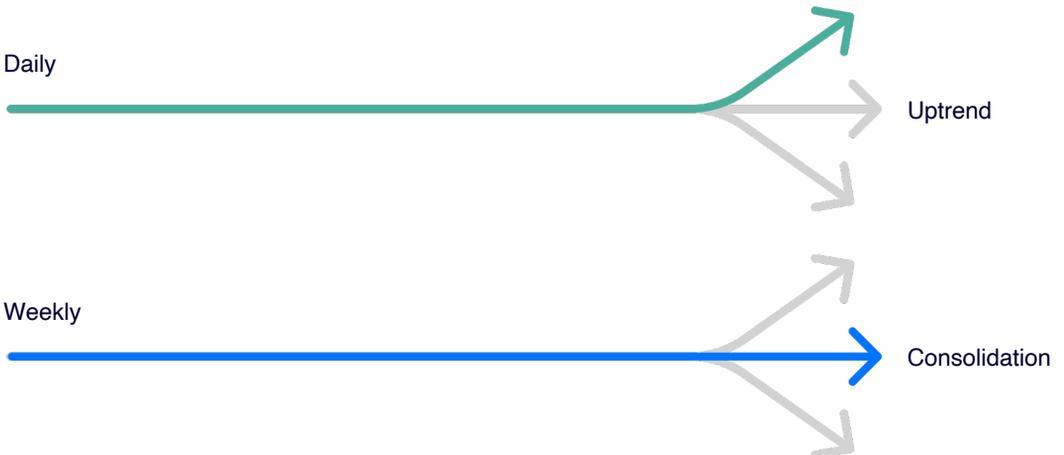
# GBP/USD Daily Chart

IFX Payments created with TradingView.com, Feb 23, 2026 08:32 UTC



TradingView

## Market Condition



## Technical Analysis

The uptrend market condition remains in-tact, with last weeks' weakness still representing a retracement or 'down-leg' in the wider trend. Our long standing 1.3437 technical levels held both on Friday and this morning, with short term price action poised to push a little higher. Rallies are likely to be capped, with resistance evident at 1.3590 and 1.3652. The constructive technical set-up would be negated if price action closes below the January low of 1.3338. There remains a low risk of this occurring in the short to medium term.

### Upside



### Downside



# Looking Ahead

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

## GBP

<b>23</b> Mon  AM: MPC member Taylor speaks	<b>24</b> Tue	<b>25</b> Wed  AM: CPI	<b>26</b> Thu	<b>27</b> Fri  AM: Consumer confidence
---	------------------	---------------------------------	------------------	--

## USD

<b>23</b> Mon  PM: Waller speaks	<b>24</b> Tue  PM: Trump speaks	<b>25</b> Wed	<b>26</b> Thu  PM: Unemployment claims	<b>27</b> Fri  PM: PPI
---	--	------------------	--	---------------------------------

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).