




GBP/USD

Weekly FX Report

Fundamental Analysis

Recent developments

GBP/USD edged lower in a week where cross-asset market volatility remained relatively subdued compared to recent weeks. The pair has had a high correlation to equity indices – the S&P 500 traded in a rangebound fashion. UK data generally impressed with PMI's and retail sales solidly beating forecasts but concerns over the rising cost of Govt debt and domestic politics kept gains in check. The Bank of England and Fed meet this week with both central banks expected to leave rates unchanged.



'BoE to remain on hold, but voting pattern in MPC a point of interest'

CPI (inflation) data last week met expectations at 3.3% with service sector inflation still 'sticky' at 4.5%. The BoE will remain on hold this week, but the voting of the 9 member MPC will be a key point of interest; a unanimous 9-0 to stay on hold would solidify the patient stance taken by rate setters. If one or two members vote for a hike this would show how cognizant the committee is of inflation risks, but stagflation concerns should not facilitate meaningful currency gains. Markets still anticipate two rate hikes this year, a theme Governor Bailey has been vociferously pushing back against.

Dollar treads water ahead of FOMC meeting

The dollar enacted a somewhat mechanical bounce last week, but with no meaningful change to recent dynamics. Although the ceasefire was extended, issues in the Strait of Hormuz has kept Oil supported and equities trading water – enough to keep some support under the dollar. With Middle East developments in stasis, wider equity markets focus on mega-cap earnings this week which will provide direction for risk appetite and, by proxy, the dollar. Strong earnings may drive equity upside and leave the dollar a little softer. Manufacturing and services PMI beat expectations, particularly in manufacturing, following on from a strong retail sales print earlier in the week which helped drive a dollar bounce. While the Fed will not change rates this week, and the US economy is standing up rather well, markets will be very keen to see whether Powell is brave enough – in his rhetoric – to entertain the rate hike narrative. Thursday's Core PCE data is one to watch too, given it is an inflation measure integral to feeding the Fed rate policy.

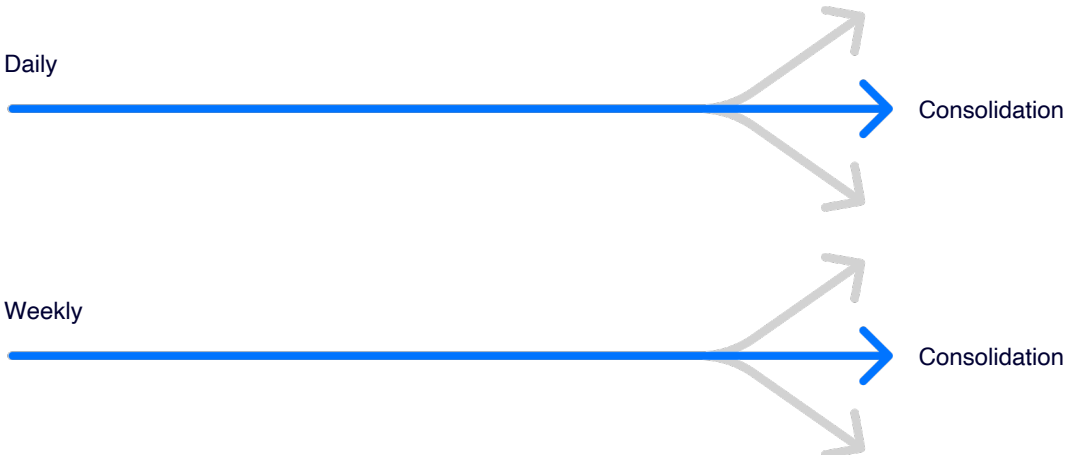
GBP/USD Daily Chart

IFX Payments created with TradingView.com, Apr 27, 2026 08:25 UTC+1



TradingView

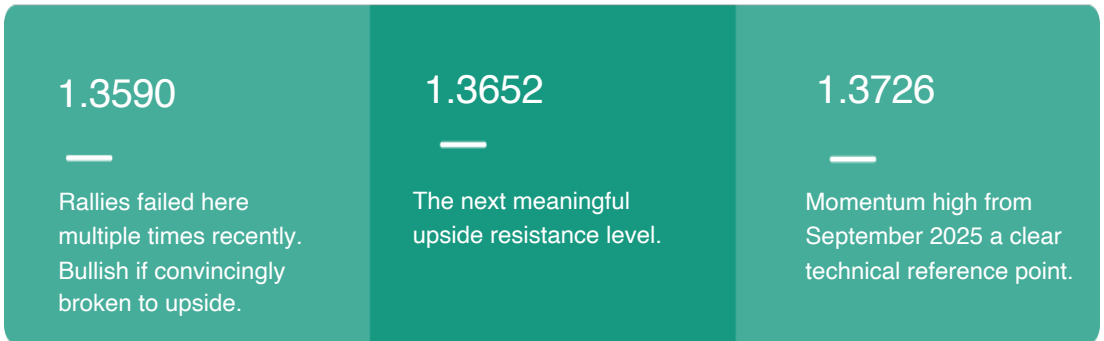
Market Condition



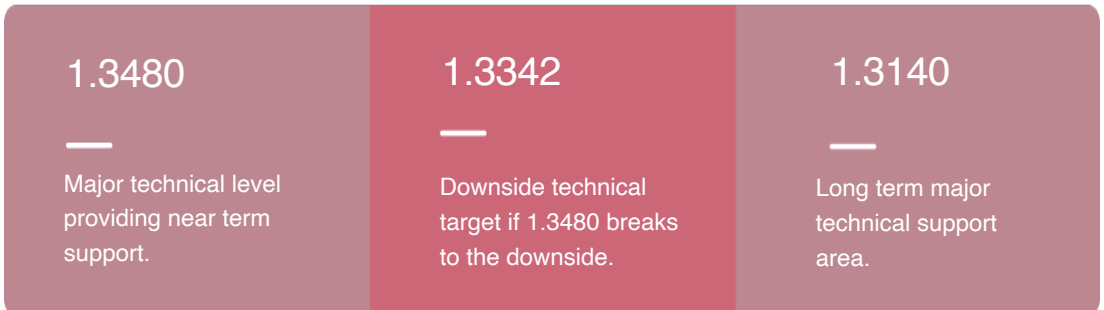
Technical Analysis

Price action has continued to be capped by technical resistance at 1.3590 and this should remain at a meaningful level in the upcoming period. Massive technical support at 1.3480 was breached to the downside last week, but closed the week back above the level, pointing to a likely period of rangebound consolidation. For the downside break to look convincing, we need to see a convincing close below 1.3480 and the 200 Day moving average at 1.34. Price action remaining above these levels suggests a slight upside bias near-term, particularly if equity indices march higher.

Upside



Downside



Looking Ahead

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

GBP

27 Monday	28 Tue	29 Wed	30 Thu AM: Bank of England meeting	31 Fri
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USD

27 Monday	28 Tue PM: Consumer confidence	29 Wed PM: FOMC meeting	30 Thu PM: GDP Core PCE price index	31 Fri
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