IFX PAYMENTS

WEEKLY FX REPORT

GBP/EUR

Fundamental Analysis

Recent developments

While the dollar grabbed all the headlines last week after the blowout jobs number, GBP/EUR remained in a tight range, with Middle East escalation keeping oil prices supported. A pregnant pause is seen before this week's ECB meeting, followed by next week's BoE meeting and the Makerfield by-election.

The market expects a 0.25% rate hike from the ECB this week, but the real intrigue lies in whether Lagarde signals a back-to-back June and July rate hike at the press conference. For sterling, GDP data on Friday is of note, providing an updated read on economic growth.

‘GDP data is the key scheduled data release, before BoE and by-election comes into focus next week’

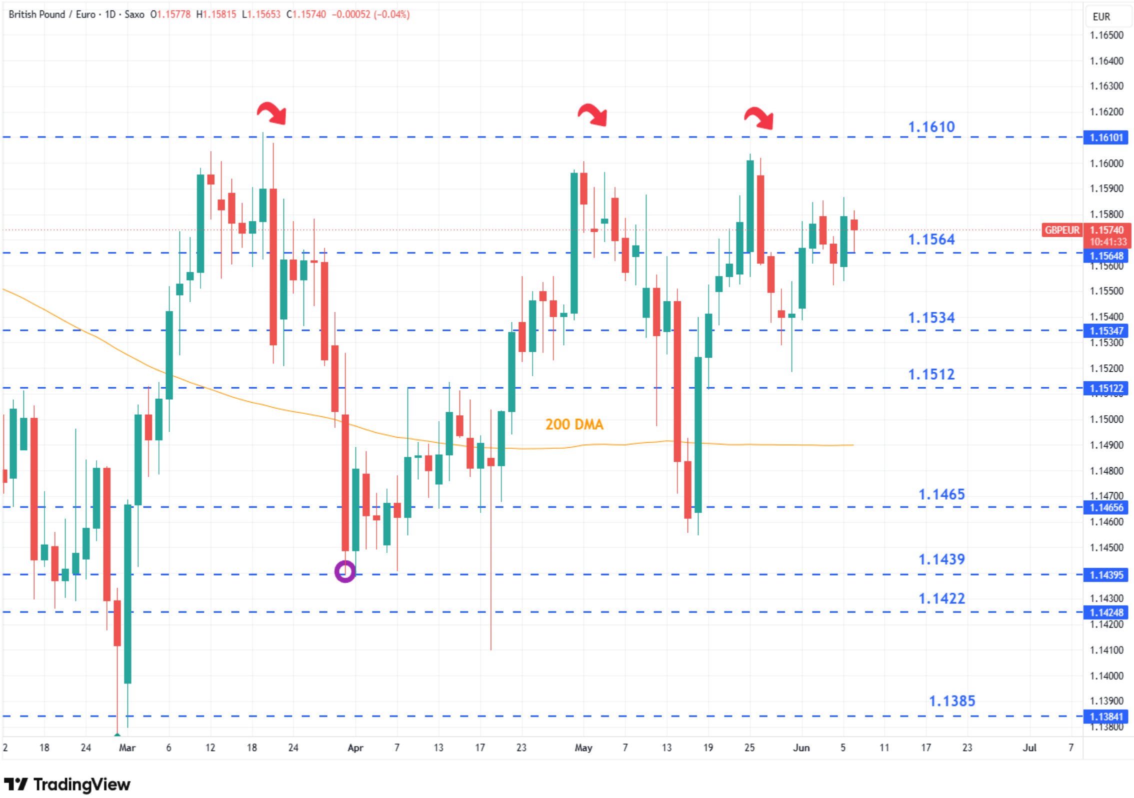
Bank of England protagonists opined on rate policy last week, and comments were illustrative of the split in ideology within the committee. Greene advocated raising rates as a pre-emptive strike against the second-round effects of inflation, whereas Taylor suggested policy was "already quite restrictive", and advocated further patience, a view shared by much of the MPC. The BoE are likely to remain more patient than the ECB with regard to rate policy adjustments. Andy Burnham last week confirmed he would enter the leadership contest if he won the Makerfield by-election, and markets will be very sensitive to these political developments as they unfold.

ECB press conference will be scrutinised for July/September policy signals

The market currently only has around 8 basis points of hikes priced for the July ECB meeting, although 25 basis points between now and the end of September means another hike is priced. The question is whether a July hike reduces the likelihood of a September hike, or whether a back-to-back June and July hike is possible. If this week's meeting signals risk of a June and July 'back-to-back' double whammy, then we should expect the euro to garner some support this week. As such, Lagarde's press conference is the critical element of Thursday's ECB meeting. The ECB will also update its economic forecasts. The committee modelled three different scenarios at the last meeting: base case, adverse and severe, with the middle scenario forecasting energy disruptions until Q3 and severe beyond that. ECB's Schnabel recently noted energy prices are currently below the adverse scenario, and so we should expect downward revisions to 2026 inflation, countered by upward adjustments in 2027 and 2028.

GBP/EUR Daily Chart

IFX Payments created with TradingView.com, Jun 08, 2026 11:18 UTC+1



Market Condition

Daily
Consolidation

Weekly
Consolidation

Technical Analysis

Price action remains in both a daily and weekly consolidation, meaning there is no prevalent trend in place, and price action trading sideways, oscillating between upside resistance and downside support. Once again, long term upside resistance is evident at 1.1610 and we see very little probability that this upside level will be breached in the short or medium term. There may be a slight bias toward downside risk this week given the scope for a hawkish ECB meeting. The downside appears to be well supported on moves to 1.1520 and , longer term, the 1.1465.

Upside

1.1585

The first upside level to offer resistance.

1.1610

Massive upside resistance level - one of the biggest in G10 FX right now.

1.1667

A break above here would be a major bullish development.

Downside

1.1564

Recent intra-day support seen here.

1.1512

Medium term downside support very evident here.

1.1465

Major long term technical support here, unlikely to be tested any time soon.

Looking Ahead

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

GBP

08 Monday	09 Tue	10 Wed	11 Thu	12 Fri
				AM: GDP m/m

EUR

08 Monday	09 Tue	10 Wed	11 Thu	12 Fri
			PM: ECB meeting	

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