



PAYMENTS



WEEKLY FX REPORT

GBP/USD

Fundamental Analysis

Recent developments

GBP/USD spent much of the week testing significant technical resistance at 1.3480, buoyed by moderating oil prices, before stellar US jobs data drove a sharp dollar rally and an increase in G10 FX volatility across the board. The Non-Farm payrolls beat expectations last week. Markets had expected 85K jobs to have been added during the month.



‘If the risk asset dip gets bought, GBP/USD will see a commensurate bounce’

Instead, the whopping 172K number allowed markets to significantly increase Fed December rate hike probabilities from around 40% to 70%. This acted as a catalyst for further dollar strength. This week, US inflation data and UK GDP are the scheduled data highlights.

BoE 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 if inflation, whereas Taylor suggested policy was “already quite restrictive”, and advocated further patience, a view shared by much of the MPC. Friday finally saw a healthy pullback in risk assets, the S&P 500 sliding around 200 points, tracked closely by GBP/USD for which there is a strong correlation. The market may begin to fade Friday’s strong move in both the dollar and equities, which would prevent GBP/USD residually occupying a sub 1.33 zone this week.

Dollar continues ascendency on stellar jobs number and rate hike re-pricing

The US economy remains incredibly robust, and Friday’s huge beat in jobs numbers allowed markets to assume a rate hike in Q4 is highly likely. The more stubborn long term inflation trajectory got a further boost over the weekend after Iran launched missile attacks against Israel for the first time since late April. Retaliatory strikes underscore the lack of progress towards an *enduring* peace deal – an environment which raises the risk of further oil price gains, and dollar support.

Markets may try to fade the large move from Friday, particularly in US equities where investors are desperate to find opportunities to ‘buy the dip’. This could see dollar gains moderate somewhat, which is certainly the tone being set to begin the week. US CPI (inflation) is, however, likely to be elevated, at >4%, (and a likely peak for the year) which may mean a fade of dollar strength won’t get too far.

GBP/USD Daily Chart

IFX Payments created with TradingView.com, Jun 08, 2026 08:42 UTC+1



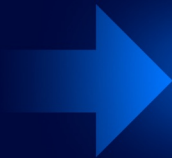
TradingView

This TradingView graph has been modified to display 'trendline resistance' and 'trendline support'.

Market Condition

Daily

Consolidation



Weekly

Downtrend



Technical Analysis

Price action clearly slumped to the lower end of the recent consolidation range, capped by a technical level we have highlighted many times in recent commentary - the 1.3480. The momentum low from early May of 1.3302 is the first nearby technical level from which a moderate bounce may be seen.

The 1.3266 would provide the next technical support level, should the dollar remain supported this week, but it would be very unlikely to see the longer-term support at 1.3140 in the near term. We do not see scope for the upside to test 1.3480 this week. The 200 Day moving average should cap any gains just above the 1.34 level

Upside

1.3417

The 200 DMA sits here and should cap any near-term gains.

1.3480

Huge technical level will remain a tough but to crack to the upside.

1.3590

Long term resistance evident here.

Downside

1.3302

May momentum low is the first technical support level.

1.3266

Meaningful technical level which may cap the downside this week.

1.3140

Massive long term technical support area.

Looking Ahead

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



08 Monday	09 Tue	10 Wed	11 Thu	12 Fri AM: GDP m/m
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08 Monday	09 Tue	10 Wed PM: CPI m/m	11 Thu PM: PPI	12 Fri PM: Consumer sentiment
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