



GBP/EUR

Weekly FX Report

Fundamental Analysis

Recent developments

GBP/EUR retraced all the prior weeks' gains, driven by sterling dynamics. The pound was weighed down by a relatively dovish Bank of England meeting (BoE), and uncertainty surrounding PM Keir Starmer's tenure given the unrelenting pressure caused by the Mandleson affair. This has already resulted in the resignation of the architect of the current Labour party, Morgan McSweeney and as of Monday 9th February, Starmer's Director of Communications. This pressure is likely to remain a key driving factor for sterling, and a source of uncertainty which is never welcomed by markets.



'Sterling to remain choppy as Starmer tries to cling to power'

The BoE meeting saw a closer vote split (5-4) in favour of holding rates steady last week. The 4 members who voted for a cut may soon get their way, if evidence is seen of disinflation trickling down into lower wage inflation. Markets seem far more convinced that a rate cut could come at the March meeting, a notion which was *not* resisted by Governor Bailey. This week, developments over Starmer's premiership tenure will be a hot topic, whilst GDP data, forecast to show just 0.1% will be key to the economic growth narrative after a surprise beat last time around.

ECB remain relatively sanguine about recent euro strength

Scheduled data for the eurozone is almost non-existent this week, leaving macro risk on/risk off factors in the driving seat, alongside political developments in the UK. The ECB remain one of the central banks most comfortable with current interest rate policy, as discussed at length in recent reports, and last weeks' ECB did nothing to change this. A point of interest at the meeting, however, was the fact that euro exchange rates (relating more to EUR/USD) were discussed at the meeting, given the disinflationary impact such strength can have. The bank conveyed that the Governing Council were watching the market but that current levels are in line with long term averages, and as such, this did not signal that the bank were expected to initiate any surprise rate cuts to weaken the currency.

GBP/EUR Daily Chart

IFX Payments created with TradingView.com, Feb 09, 2026 11:20 UTC

British Pound / Euro - 1D - Saxo O1.15101 H1.15162 L1.14593 C1.14752 -0.00449 (-0.39%)



TradingView

Market Condition



Technical Analysis

Price action remains in a broad uptrend. The retracement last week has thus far held at trendline support and the 1.1465 level, but a break below these levels would be a bearish development and could lead to some near-term pressure to the downside. Under current fundamental dynamics, any possible gains this week are likely to remain capped by the 1.1564/1.1580 levels. Over the longer-term horizon, there remains major technical support to the downside at 1.1340.

Upside

1.1534

—
The first upside resistance above spot price action.

1.1580

—
More technical resistance likely here.

1.1606

—
The recent rally faltered at this major resistance area.

Downside

1.1465

—
Big support level has held thus far, but bearish if broken to the downside.

1.1422

—
Technical support lies here should 1.1465 break.

1.1340

—
Big chart support area from Q4 2025.

Looking Ahead

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

EUR

09 Monday AM: Nagel speaks	10 Tue	11 Wed	12 Thu	13 Fri AM: Employment change q/q
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GBP

09 Monday AM: Mann speaks	10 Tue	11 Wed	12 Thu AM: GDP	13 Fri PM: Pill speaks
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