

### Weekly Highs and Lows:

GBP/EUR: 1.1090 / 1.1288

GBP/USD: 1.2233 / 1.2505

EUR/USD: 1.0927 / 1.1110

- UK PM gets Queen's permission to Suspend Parliament
- EU Economic Docket consecutively negative
- US & China trade war coming to an end

### FX Movements

- GBP/EUR opened last week at 1.1140 pushing lower in the early week of trading down to the low of the week of 1.1090. Shortly after, the UK released their GDP in which came in flat after the three months to July and expanded 0.3% on a monthly basis during July. This gave fresh buying interest for the Pound pushing higher upwards above 1.1200. Throughout mid-week's trading, the Pound held steady around the 1.1180's and 1.1220's seeing the UK release some good unemployment numbers on Tuesday coming in lower than expected keeping the Pound steady. On Thursday, the EU announced a new QE programme in which will start in November in which involved printing 20 Billion Euros of net assets per month with also a

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reduction in the deposit rates of 0.4% whereas it was previously 0.50%. The Pound gained to fresh weekly highs of 1.1250 and ended the week higher at 1.1270.

- GBP/USD opened last week at 1.2280 heading lower in the early morning of the week pushing to weekly lows of 1.2233 as the market waited for UK's GDP results. As mentioned above, the UK released good GDP figures and overall growth of +0.2% from July allowing GBP to again against the US Dollar seeing rates go to 1.2380. The pound managed to hold around this level during the mid-week of trading averaging the 1.2350 region. On Friday, it was a good day for the Pound as reports suggested that the EU is prepared to grant another extension to the UK to prevent a no-deal Brexit which added optimism giving Sterling a fresh boost. On the other side of the pond, the US released a mixed bag of results for their retail sales coming in lower than expected seeing the pair hit 6-week highs closing the week just above 1.2500.
- EUR/USD opened last Monday at 1.1020 seeing the Euro stay steady throughout Monday and Tuesday trading around this level. The Euro lost some value in anticipation towards the ECB's meeting on Thursday with also the US Dollar having overall strength due to higher US yields with better than expected PPI reading for August seeing the pair drop below 1.10. On Thursday the ECB met and announced their QE plan of 20 Billion a month starting from November for as long as it takes for the Euro zones' inflation and their growth outlooks to return to satisfactory levels, but this is only a third of what the QE was implemented back in 2015 which was 60 Billion per month. On the back of this, there was a sell off the Euro seeing a flash drop to 1.0927 but the Euro managed to push back up above 1.10 later in the afternoon seeing the Euro higher on the week against the US Dollar.

- This week's Economic Calendar

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#### Monday:

- 09:00 EU Italian CPI YoY
- 09:00 EU Italian CPI MoM

#### Tuesday:

- 10:00 EU ZEW Survey
- 10:00 EU German ZEW Survey
- 14:15 US Industrial Production
- 22:00 US Fed's Rosengren Speech

#### Wednesday:

- 09:30 UK Retail Price Index
- 09:30 UK Producer Price Index
- 09:30 UK CPI
- 09:30 EU CPI
- 13:30 US Housing Starts
- 19:00 US FOMC Economic Projections
- 19:00 US Fed's Monetary Policy Statement
- 19:00 US Fed's Interest Rate Decision

#### Thursday:

- 09:30 UK Retail Sales
- 12:00 UK BoE Asset Purchase Facility
- 12:00 UK BoE Interest rate
- 12:00 UK BoE Minutes
- 12:00 UK BoE MPC Vote Cut/Hike
- 15:00 US Initial Jobless Claims

#### Friday:

- 09:30 UK Public Sector Net Borrowing

*Please call or email us to discuss our affiliate programme:*

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➤ The Fact of the Week

The oldest door in Britain is located in Westminster Abbey. Made from timber from the original Anglo-Saxon abbey, it is just under a thousand years old. Made from mature oak, that means the trees that produced these planks could have been saplings when the Romans evacuated Britain.

➤ In Today's News

### Saudi oil attacks: US intelligence 'shows Iran involved'

The United States has issued satellite images and cited intelligence to back its claim that Iran was behind attacks on Saudi oil facilities.

Iran denies involvement in Saturday's air attacks, which were claimed by Iranian-backed Houthi rebels in Yemen.

But unnamed US officials speaking to US and international media say the direction and extent of the attacks cast doubt on Houthi involvement.

The incident has cut global oil supplies by 5% and prices have soared.

BBC NEWS


### Brexit: UK will reject any delay offer, PM to tell Juncker

The UK is not prepared to postpone Brexit beyond the current 31 October deadline, Boris Johnson is to tell European Commission President Jean-Claude Juncker at talks on Monday.

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The lunchtime meeting in Luxembourg will be the first time the pair have met since the PM took office in July.

A Downing Street source says Mr Johnson will stress he wants to secure a deal by 18 October, after a key EU summit.

But if not possible, he will "reject any delay offered" and leave with no deal.

The source said Mr Johnson "would make clear that he would not countenance any more delays".

They added: "Any further extension would be a huge mistake. It is not just a question of the extra dither and delay - it is also the additional long months of rancour and division, and all at huge expense."

BBC NEWS

Have a great week.

The SAB Corporate Finance Team.

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