

### Weekly Highs and Lows:

GBP/EUR: 1.1230 / 1.1380

GBP/USD: 1.2393 / 1.2582

EUR/USD: 1.0990 / 1.1076

- U.S Trump and UK Johnson to meet on Thursday
- UK far sill from making an agreement to replace backstop?
- Will the Pound continue it's 2-month tops?

### FX Movements

- GBP/EUR opened last Monday at 1.1270 heading lower to start the week pushing towards the 1.1200 region then seeing the EU release some mixed data from its economic docket heading back up to 1.1300. The pair was fairly steady throughout the week with quiet news from the Brexit area seeing Sterling hold its value around the 1.1250 to 1.1300 region. On Thursday, the UK published some poor retail sales figures coming in lower than expected pushing the Pound down to 1.1240 but shortly after that, Jean-Claude Junker (European commission President, mentioned to SKY NEWS that a deal could be reached allowing GBP to push to 2-month highs of 1.1379 and ending the week just above 1.1300.

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- GBP/USD opened last week at 1.2185 heading lower against the Greenback in early morning trading. The Pound was under pressure on the back of no positive Brexit developments and on-going Parliament deadlock at the UK getting pushed down to weekly lows of 1.2393. In the afternoon, the US Dollar has some weakness as it failed to keep its strength as US Treasury Bond yields were a big downfall heavily weighing on the Dollar allowing the Pound to push above 1.2500. The pair stayed around this level as the traders wait for the UK's decision on interest rates. On Thursday the Bank of England held rates and also mentioned that they are downgrading its growth and inflation forecasts and might follow the suit via its quarterly bulletin allowing the Pound to reach a 2-month high of 1.2582 the highest we have seen since mid-July.
- EUR/USD opened at 1.1080 last Monday pushing substantially lower by mid-day to sub 1.10. The critical driver was a stronger UD Dollar across all other basket of currencies seeing the DXY rose 0.45% having the best performance in weeks. With equity prices lowering and across the globe and safe-haven assets higher following the attacks on Saudi Arabia's oil production, Crude oil prices are back near the top rising higher seeing the Yen and US Dollar the most demanded currencies. Shortly after, the Euro managed to gain back all losses as the EU released some positive figures from their ZEW Survey seeing better than expected results allowing the Euro to push back up to 1.1050. The pair was choppy for the rest of the week, but the Euro managed to keep its head above the 1.10 region at the close.
- This week's Economic Calendar

#### Monday:

- 08:15 EU German PMI Composite
- 09:00 EU Markit Manufacturing PMI
- 13:30 US Chicago Fed National Activity Index
- 14:45 US Markit Manufacturing PMI

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- 14:45 US Markit PMI Composite
- 14:45 US Fed's Williams Speech

Tuesday:

- 09:30 UK Public Net sector borrowing
- 09:30 EU German IFO Business Climate
- 14:00 US S&P/Case-Shiller Home Price
- 15:00 US Consumer Confidence

Wednesday:

- N/A EU German 10-Y Bond Auction
- 15:00 US New Home Sales

Thursday:

- 13:30 US Initial Jobless Claims
- 13:30 US Gross Domestic Product
- 13:30 US Core Personal Consumption Expenditures
- 13:30 US Pending Home sales

Friday:


- 08:00 UK BoE's Saunders Speech
- 10:00 EU Business Climate
- 13:30 US Personal Consumption Expenditure
- 13:30 US Personal Spending
- 13:30 US Nondefense Capital Goods orders
- 13:30 US Durable goods orders

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## ➤ In Today's News

### Thomas Cook collapses as last-ditch rescue talks fail

Thomas Cook has collapsed after last-minute negotiations aimed at saving the 178-year-old holiday firm failed.

The UK Civil Aviation Authority (CAA) said the tour operator had "ceased trading with immediate effect".

It has also triggered the biggest ever peacetime repatriation, aimed at bringing more than 150,000 British holidaymakers' home.

Peter Fankhauser, Thomas Cook's chief executive, said the firm's collapse was a "matter of profound regret".

Commenting as the company entered compulsory liquidation, Mr Fankhauser also apologised to the firm's "millions of customers, and thousands of employees".

The tour operator's failure puts 22,000 jobs at risk worldwide, including 9,000 in the UK.

## BBC NEWS

### At least seven dead after Kenyan classroom collapses


At least seven children have died after a classroom collapsed at a school in the Kenyan capital Nairobi, officials say. The wooden structure at Precious Talent Top School collapsed just minutes after the start of the school day on Monday.

Dozens of students are reported to be trapped. Emergency services are at the scene. Rescuers have reportedly had difficulty getting to the school because of large crowds that have gathered nearby.

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The school's director, Moses Ndirangu, has blamed the collapse on the construction of a nearby sewer pipe, which, he says, may have weakened the foundations of the building.

#### **BBC NEWS**

##### ➤ The Fact of the Week

TV sitcom stars from Friends were paid \$100,000 per episode in season five, \$125,000 in season six, \$750,000 in seasons seven and eight, and \$1 million in seasons nine and ten, making Jennifer Aniston, Courtney's Cox, and Lisa Kudrow the highest paid TV actresses of all-time.

Have a great week.

The SAB Corporate Finance Team.

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

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