IFX PAYMENTS

WEEKLY FX REPORT

GBP/USD

Fundamental Analysis

Recent developments

GBPUSD traded lower, almost testing key technical support at 1.3140 last week. UK-centric themes manifested as per our expectations; the BoE held rates steady with a 7 – 2 MPC vote split, and Andy Burnham won in Makerfield, but it was a sharp dollar rally in the aftermath of the Fed meeting which was the catalyst.

An embedded expectation by many that new Fed chair Warsh may strike a dovish tone was wide of the mark; his comment that the commitment to “deliver 2% inflation is strong, unanimous and unambiguous” was unequivocally hawkish and sent the dollar higher, accompanied by interest rate expectations (from Fed members) turning higher for Q4.

> **‘Starmer resignation imminent, but FX reaction remains muted’**

Two members voted for a hike, but BoE messaging was undramatic. Long term inflation forecasts were less onerous than a month ago, and the bank will “respond promptly” to any evidence of second round inflation effects. More ‘wait and see’ then… In politics, we await the imminent resignation of Starmer. Burnham seems very conscious to not roil gilt and fx markets. He has brought in no less than three economic advisors (including former BoE chief economist Andy Haldane) and has stated he intends to retain fiscal rules. This explains why there has not been a volatile reaction to his by-election win. For markets, who ends up as Chancellor will also be of significance with regards to fiscal measures and the impact on the Gilt market.

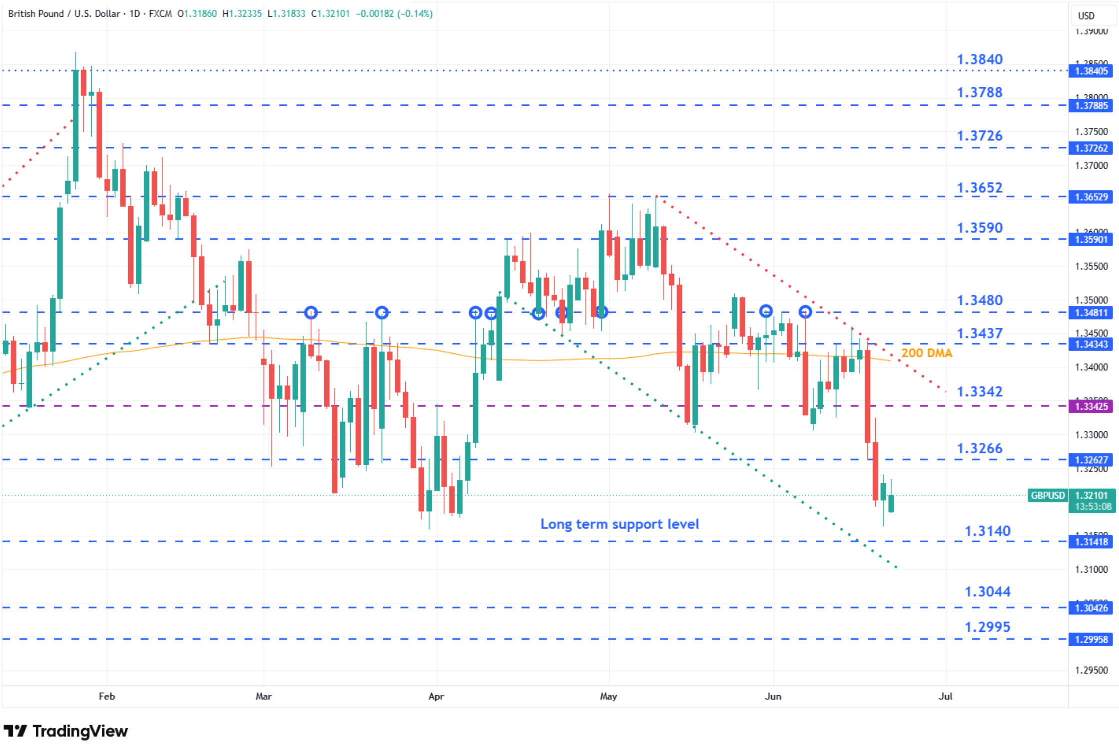
Underlying hawkish tone to Warsh’s first Fed meeting

The tone, style and substance of Warsh’s first Fed meeting as Chair was highly anticipated. We did not get the dovish, Trump puppet that some had expected. The commitment to fight inflation was clear, neither hikes or cuts were on the table near-term, labour markets were described as stable, and, crucially, Warsh stated that there would be less forward guidance from the Fed. Forward guidance is when a central bank tells markets has it is likely to behave in the future, tantamount to managing expectations and smoothing out volatility

The fact that Warsh will do *less of this* will put more emphasis on economic data (to drive policy decisions) and should drive a bit more volatility. Markets reacted to Warsh with a dollar rally both on what was said, and the lack of dovish ideology. Elsewhere, the US Iran deal has looked a little fragile but both sides appear committed to making progress over the next 60 days. This is having a limited impact on the dollar currently. Thursday’s CORE PCE (an inflation measure) is the main data this week, and Tuesday’s PMI data will provide an update on domestic services and manufacturing sector buoyancy.

GBP/USD Daily Chart

IFX Payments created with TradingView.com, Jun 22, 2026 08:06 UTC+1



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

Market Condition

Technical Analysis

The weakness seen last week allowed price action to make a new momentum low, thus bringing the market condition into a downtrend. As such, bounces from here should be seen as retracement in the downtrend and not a reversal to the upside.

The 1.3140 is a big chart level which will be used by major market participants as a reference point. This sits just below spot price action and we should expect this level to act as support to price action. If the level is broken and the move remains below for a few days, this is a structurally bearish development. Bounces to the upside may find resistance at 1.3340 this week.

Upside

1.3266

The first upside resistance level above spot

1.3342

More significant resistance here – a major price level throughout 2025

1.3480

Massive level unlikely to be tested in the short term

Downside

1.3140

Huge technical level from May and August last year.

1.3044

Q4 2025 technical support area. Unlikely to be broken to the downside

1.2891

Longer term support level

Looking Ahead

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

GBP

24 Monday	25 Tue	26 Wed	27 Thu	28 Fri
	AM: Manufacturing and services PMI	PM: Breeden speaks		

USD

24 Monday	25 Tue	26 Wed	27 Thu	28 Fri
	PM: Manufacturing and services PMI		PM: Core PCE price index Final GDP m/m	

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Daily
Uptrend


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