Latest Market Focus – FX Insights
GBP: Focus on BoE rate decision

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CIO Office and Investment Advisory

- **The UK Autumn Budget had limited impact,** easing fiscal concerns and mildly supporting sterling. Attention now shifts to the Bank of England (BoE) ’s November rate-setting meeting
- **Unresolved welfare, local-tax and defence-funding issues may prolong fiscal disputes.** Early elections remain unlikely; the 6% bank surcharge should limit pressure on bank shares and sterling
- **Markets expect the BoE to cut rates by 25 basis points on 5 November.** Sterling depends on policy, inflation and guidance; dollar weakness may enable recovery
- **Sterling is consolidating after rebounding from recent lows**. Initial resistance is US$1.3400; a sustained break could target US$1.3560, while US$1.3200 remains key support

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HSIS Address: Hang Seng Headquarter, 83 Des Voeux Road Central, HK

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