

What is Super Thursday?

Super Thursday and the effect on the currency markets

It's a very important week for those with Sterling to convert to Euros, as markets brace for 'Super Thursday'. Alastair Archbold, FX Manager explains exactly what this is, what it means for exchange rates and how you can protect yourself against rates moving against you.

What is Super Thursday?

At 11am on Thursday, the Bank of England will publish its latest interest rate decision, the minutes of that meeting showing what was discussed and how the voting went, and the quarterly inflation report. For good measure, the BoE Governor [Mark Carney](#) will also give a press conference a little later. Previously, all of the above was released bit by bit over a 2 week period.

How could it affect exchange rates?

I don't expect any change in policy with regards to interest rates, however there are 3 key things that you should look out for. Firstly, the minutes to the announcement will show how the 9 member committee voted and what was discussed; if more than one of the members voted for a rate hike, then the Pound could gain against other currencies.

Secondly, the inflation report is very important and signals where the BoE sees inflation in the coming years, and this has an impact on when they will raise interest rates due to the lag that any change in monetary policy has on prices.

Lastly, the language that Carney uses in his press conference will be closely watched. If there is any sense that he is trying to nudge expectations of an interest rate rise further into the future, then the Pound could react accordingly (dampening expectations of an interest rate hike would weaken a currency as investors move to other currencies who's countries are expected to have higher interest rates, for example the US Dollar).

What action can you take to protect against adverse exchange rate movements?

As you can see, because there is such a lot of information for the markets to digest, we could potentially see a very volatile day for exchange rates. With the GBP/EUR rate improving by 5% to a 3 month high in the last few weeks, it's wise to be aware of the contract types we offer in advance of Thursday's announcements. For example, if you need to buy Euros then you can place a '[Limit Order](#)' to buy your currency if the rate hits a pre-agreed level. This allows you to take advantage of any short term spikes that the data releases may generate. At the same time you can use a '[Stop Loss](#)' order to execute your trade if the rate falls below a pre-agreed level. In this way you are protected against a sharp drop if the rate moves against you.

The logo for Foremost Currency Group is displayed in white text on a dark blue square background. The text reads "FOREMOST CURRENCY GROUP™" in a sans-serif font, with a small orange square positioned below the text.

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Notes to editors:

Alastair Archbold is an FX manager on the dealing floor, having been with the Foremost Currency Group for over 6 years. With over 16 years' experience in the Financial Services sector, he has a wealth of knowledge for any clients entering the often daunting world of the currency markets. In addition to providing clients with incredible exchange rates, he has also written countless FX articles for various national newspapers and international publications.

About Foremost Currency Group

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Robin McEwen, Managing Director