

The pound's value

There is a lot of disinformation about rises and falls in the pound. Some would have you believe we had a stable and strong pound prior to the Brexit vote, and then it fell. The truth is somewhat different.

The crucial cross rate is the Euro rate, given the volume of imports we take from the EU. Sterling fell a lot during the banking crash of the last decade. On 3rd January 2009 it fell as low as Euro 1.04. It rallied in the next decade, typically trading around Euro 1.20 in the period 2010-2014. It hit a low of Euro 1.16 in February and August 2013.

By June 14 2016, just before the vote, it was around Euro 1.25, having been higher in previous months. Today it is at Euro 1.18, just 5% down on the June pre vote low. At today's level, after rallying in recent weeks, it is around its average earlier this decade.

Published and promoted by Fraser Mc Farland on behalf of John Redwood, both at 30 Rose Street Wokingham RG40 1XU