Pound Sterling Slumps Against US Dollar

The British Pound Falls Strongly

After what most market commentators perceive as an awful week for the UK economy, the Pound Sterling crashed around 10% overnight, before climbing back to around 5% down versus the US dollar.

The cause of this mayhem was the Bank of England raised interest rates by half a percentage point, seen as too little too late, and the UK government cutting taxes in an inflationary environment!

The British Pound Falls Strongly after BOE Rate Increase Disappoints the Markets

After what most market commentators perceive as an awful week for the UK economy, the Pound Sterling crashed around 10% overnight, before climbing back to around 5% down versus the US dollar.

The cause of this mayhem was the Bank of England raised interest rates by half a percentage point, seen as too little too late, and the UK government cutting taxes in an inflationary environment!

The US dollar is surging against not only the Pound Sterling, but also the Euro, Yuan, and Yen.

The **US dollar (DXY) index** is at 114, and seemingly headed inexorably higher, with many thinking it will reach at least 120 in the current run, and possibly quite soon.

The dollar is the current safe haven, and not gold, due to rising rates.

Needless to say, there is enormous pressure on mining stock prices on both Australia and Canada. UK based investors should bear in mind that their Aussie and Canadian stocks may be falling, but they are gaining a currency advantage as the pound falls.

This currency gain will not completely compensate for falling stock values, but will at least partially offset the losses.

=======

If you need clarification of any information contained in this note, or have any questions, I will be delighted to assist – Please email andrew@city-investors-circle.com

=======

City Investors Circle is based in the financial district in the City of London

We present interesting and exciting junior mining companies listed on the ASX and TSX stock exchanges to a group of city professionals, and private investors, all of whom are active investors with a mandate to invest in junior mining companies.

Our audience is selected and invited individually to ensure interest and relevance for the presenting company.

Meetings are non deal, small group, highly focused and engaged, with a lively Q and A to follow the main presentation.

We create awareness, and maintain interest in presenting companies by disseminating their future news to our entire investor group via email, social media, and our Monthly Review newsletter.

If you wish to present to our select group of active mining investors, please email andrew@city-investors-circle.com

=======

This website is not sponsored, we are truly independent, and will always remain so.

Companies featured here have either presented to the Circle in London, or have been selected because they are considered to have interesting projects, in good jurisdictions, run by an experienced management team.

All information used in the preparation of this communication has been compiled from publicly available sources that we believe to be accurate and reliable, however, we cannot, and do not, guarantee the accuracy or completeness of this.

These articles are for awareness and informational purposes only, and are not recommendations in any form. Always consult an investment professional.

[To read our full terms and conditions, please click HERE]