



Sterling hurtles towards 2017 lows as outlook darkens

July 10, 2019

The British pound fell towards its lowest levels in more than two years on Tuesday against the backdrop of a worsening economic outlook and rising fears about a no-deal Brexit and a new Prime Minister.

1. The British pound is sinking towards a low last hit two years ago as fears of a no-deal Brexit and a shrinking economy plague investors.
2. Sterling was trading down half a percent against the dollar at \$1.24 on Tuesday (July 9), near the April 2017 lows.
3. It also weakened to a six-month low against the euro at 89.95.
4. Members of the ruling Conservative party are casting their ballots this month to decide on Prime Minister Theresa May's replacement.
5. Both candidates, Boris Johnson and Jeremy Hunt, have warned they're willing to consider a no-deal Brexit.
6. On Tuesday, BlackRock, the world's biggest asset manager, warned that markets were underestimating the risk of volatility from Britain's EU departure.
7. That as new data highlighted the country's economic slump.
8. UK shops suffered their slowest growth in the 12 months to June, according to the British Retail Consortium.
9. And car maker BMW said on Tuesday it has moved some of its engine output from the UK because of Brexit uncertainty.
10. More worrisome news could be around the corner.
11. UK growth data for May will be released on Wednesday (July 10).
12. Some analysts expect the economy to have contracted in Q2.
13. But economists polled by Reuters said they expected the economy to grow 0.3% in May month on month.
14. That's just a slight improvement on the 0.4% recorded in April.