

Brexit pound regains all lost ground after market over-reaction to Kwasi's quasi-budget

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This report has been co-published with our affiliated organisation, [Brexit Facts4EU.Org](https://BrexitFacts4EU.Org). We are most grateful for their original research into the raw data which backs what follows.

Meanwhile, Euro has plunged 15% against US Dollar in the last 12 months

CIBUK.Org and Facts4EU.Org reveal more uncomfortable truths for the doom-mongers

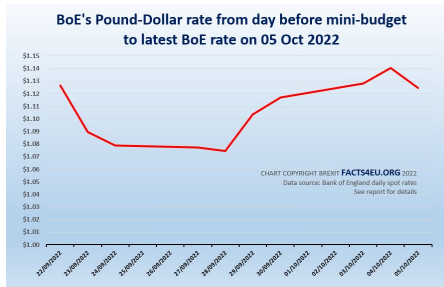
The TV broadcasters and other media have been full of negative stories since Chancellor Kwasi Kwarteng's mini-budget on 23 September. One of the most prolific of these doom-laden narratives was the fall in the value of the pound.

Now (at the time of writing) the pound is back to the same level it was at before the mini-budget. CIBUK.Org thought readers might like to know this and the official facts are below.

Summary

Pound-dollar exchange rate – Bank of England daily spot rate

Latest data at time of writing, from the day prior to the Chancellor's mini-budget



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[Source: Bank of England daily spot rates, pound-dollar.]

Commenting exclusively on our report today, former Secretary of State and former Single Market Minister, the Rt Hon Sir John Redwood MP, said:



The government's media critics blame it for the pound falling but don't praise it when the pound rises. They ignore the way the Euro and yen have also fallen against the dollar.

They are political campaigners, not reporters of the facts. They just represent the anti-growth coalition that wants to bring down the government.

– The Rt Hon Sir John Redwood MP, Fri 07 Oct 2022

Floating exchange rates mean the pound fluctuates on a daily basis

Exchange rates move all the time. They do so for all manner of reasons. Often a change in the value of the pound has nothing to do with the intrinsic value of the pound, but because of a change in the perception of the other currency, in this case the US dollar.

For example, if the markets suspect the Federal Reserve will once again increase interest rates in the US, the dollar will gain in value because money goes where it can get the best return. If the dollar rises, the pound falls in relative terms.

It is also the case that at times of international crises there is a tendency to invest in the main reserve currency,

which is the dollar. Putin's illegal invasion of Ukraine has most definitely had an impact in the markets.

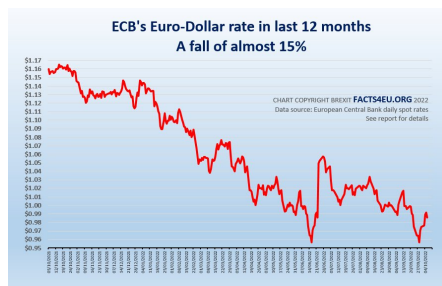
The euro has fallen 14.7% against the US dollar in the last 12 months

Both the pound and the euro have been on a steady downward trajectory against the US dollar for a long time. This started well before Liz Truss became Prime Minister.

The pound may have suffered, but so has the euro. Below we show the fall in the value of the euro against the US dollar over the past 12 months.

Summary

Euro-dollar exchange rate in last 12 months



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[Source: European Central Bank.]

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https://facts4eu.org/news/2022_oct_brexit_pound