

Hello,

We rapidly approach another month end and in the last week we have had the summer solstice on Tuesday 21 June so from now on the days start getting shorter and Thursday, 23 June marked the 6th anniversary of the Brexit referendum vote with the NI protocol still unresolved.

Add the very uncertain political and economic outlook for the UK and its no surprise that the Pound is approaching the end of June trading at the 50%, 1-month trading line and the 33% trading line for the last 3 months against the Euro.

As recently as 7 March the Pound hit its highest level against the Euro since the Brexit vote.

It has since lost over 4.5% of its value.

The geo-political fall-out from Russia's invasion of the Ukraine on 24 February and the subsequent spike in energy and commodity prices has led to market sell-offs and an increase in demand for the Dollar's safe haven status.

As a result, the Pound is approaching another month end trading at the 33%, 1-month trading line and has lost nearly 6% of its value in the last 3 months and on 14 June, hit its lowest level against the Dollar since March 2020 when the UK like virtually all the world went into the first Covid lockdown.

With UK inflation hitting a new 40-year high of 9.1% and forecast to top out at 11% plus; consumer confidence hitting its lowest ever level since records began; public sector borrowing hitting its third largest ever monthly figure, July is very likely to remain dominated by another monthly round of central bank interest rate announcements with the ECB due to pronounce on EU interest rates on 21 July and the US Federal Reserve on 27 July although the Bank of England does not meet again until the 4th August.

It's getting more and more difficult to find credible good news out of the UK now, but I have found some: -

A new survey by jobs website Indeed has found that the UK is the most attractive country for foreign job hunters among Europe's major economies.

British industrialist Nat Rothschild has predicted that China's dominance in global manufacturing is coming to an end as prolonged Covid disruption prompts companies to source parts closer to home.

UK exports to the EU defy Brexit challenges and hit their highest level ever reaching £16.4 billion in April 2022.

To my mind, the biggest hope for a recovery in the value of the Pound in the short term remains the simple fact that in the currency markets, everything is relative and whilst it would be all too easy to focus on the doom and gloom in the UK at the moment, the UK is far from alone in facing decades high inflation; what is often being called a cost of living crisis but is really a cost of lockdown crisis; political uncertainty (only last week French President Macron lost his Parliamentary majority and the Republicans are 1/2 on to win the gubernatorial US elections in November that would give them the ability to block all legislation proposed by Democrat President Joe Biden so Boris is not the only political leader under the cosh at the moment).

Of course, currency market volatility can bring trouble but with careful monitoring can also bring opportunity.

At Cosmos, we provide our clients with a relationship not a transaction-based service.

We are pro-active not reactive.

We offer local collection accounts in the USA, Canada, and the EU to save clients further time and money with their transfers.

At Cosmos, all our business comes from referrals.

We believe that speaks volumes.

Cosmos Currency Exchange has won multiple awards for its customer service and pro-active approach.

Please call us on 0044 (0)300 124 6409 or email [tonyredondo@cosmoscurrencyexchange.com](mailto:tonyredondo@cosmoscurrencyexchange.com) to discuss your individual currency requirement in confidence.

This week's quote comes from Audrey Hepburn "Nothing is impossible, the word itself say's 'I'm possible'!"