



Currency News

Currency update - Here's the Winlock currency trends update:

STERLING / DOLLAR

March has seen sterling fall to almost \$1.21 before recovering to just over \$1.25. The monthly average will again be below \$1.25 and it is now almost 6 months since sterling's monthly average reached the \$1.25 level. Now that the UK has formally activated Article 50 the "phoney war" may be over and sterling will be affected by whatever Brexit deals are being rumoured to be done (or not done). It is a brave man that takes a major punt on sterling either way. In the last 12 months sterling has dropped over 20% against the greenback.

EURO

In the last 12 months sterling has dropped from €1.26 to €1.15, a drop of over 10%. In March it weakened from 1.18 to 1.15 and in fact during March the euro has strengthened against both sterling and the US dollar. It is difficult to see why - although growth in the eurozone seems to be picking up, there are still massive problems in Greece and Italy in particular.

CHINESE YUAN

The Yuan is 10% more expensive against sterling than a year ago, but in the same period has dropped significantly against the dollar – which is the opposite of what President Trump is looking for. It seems that China is letting its currency fall to try and keep exports competitively priced which will bring it into direct conflict with the USA sooner or later.

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