

Krpata on the pound: Why we've upgraded our sterling forecasts

Our Chief FX Strategist, Petr Krpata on why we expect the British pound to keep on rising



Why we've upgraded our sterling forecasts

We have upgraded our sterling forecast and expect EUR/GBP to reach the 0.85 level this year and 0.82 in 2022. With the risk of a no-deal Brexit out of the way, the pound is now free to reap the benefits of a faster vaccination rollout in the UK versus the eurozone. As for sterling against the dollar, its gains should be even more pronounced as the pair will also benefit from the rising euro/dollar this year and cable should be moving towards the 1.50 level in 2021.

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