

The Big Brexit Currency Risk

Turmoil and discontent are rocking the British political landscape and the effects on sterling are likely to get worse. Have you considered the currency risk to your business?

What a year it's been for politics. And while it's easy to despair at the seeming unravelling of the British political system before our very eyes, it's harder to know the long-term effects it will have across the wider business landscape.



Over the eight weeks from the start of May this year, sterling plummeted nearly 6% against the euro – a startling drop that caught lots of Irish SMEs by surprise. As many found out, it can be an expensive mistake to make.

We're already edging closer and closer to the so far recorded post-referendum low of 0.9300 euro to sterling. And now, with a series of massive political events looming large in the calendar, sterling is looking more vulnerable than ever.

Late July will see a new PM enter 10 Downing Street once the Johnson-Hunt Tory Party leadership contest is settled, while a Halloween deadline brings Brexit back into sharp focus. And with political tensions rising towards boiling point and opinions only becoming more partisan, the odds of a general election are getting shorter and shorter too.

Now is the time to ready your business for further sterling weaknesses and make sure you don't suffer unnecessary losses.

To get a grip of the potential risks to your business and understand all the tools available to mitigate them, contact ISME Advantage Members Clear Treasury for an obligation-free consultation. Email the Head of FX Ireland Paul Reilly, (paul.reilly@cleartreasury.co.uk) call the Dublin office on +353 (0)1 567 6690 or sign up on the Clear Treasury website.