

Pound rises as Boris Johnson plans ‘significant’ intervention in Brexit talks



Prime Minister Boris Johnson speaks via video link from 10 Downing Street during Prime Minister’s Questions in the House of Commons, London. Photo: House of Commons/PA Images via Getty Images

The pound was rising on Monday morning on the back of a report claiming UK prime minister Boris Johnson is planning to once again personally intervene in Brexit talks.

Sterling was up half a percent against the euro and dollar in early trade in London, following a report in the Telegraph suggesting Johnson will this week make a “significant” intervention.

Johnson will reportedly speak directly to European Commission president Ursula von der Leyen in a bid to “clear away final barriers” to a trade deal. The Telegraph suggested next Tuesday is now the unofficial deadline for talks to conclude.

The pound was up 0.5% against the euro to €1.126 (GBPEUR=X) by 9 AM in London. Sterling was up 0.6% against the dollar to \$1.337 (GBPUSD=X).



The pound rallied against the dollar on Monday morning. Chart: Yahoo Finance UK

Trade talks between the UK and EU have been largely stuck at an impasse for months, with disagreement over key issues such as fishing rights and a so-called “level playing field”.

While recent reports suggest some progress has been made, there has been little sign of a breakthrough on the key issues.

“For a few months it’s felt like a case of five steps forward and four back on the path to some kind of deal,” said Jim Reid, a senior strategist at Deutsche Bank. “So progress but painfully slow.”

Talks are set to resume virtually on Monday after members of the EU negotiating deal were diagnosed with COVID-19 last week. Face-to-face talks could resume on Thursday, the Telegraph said.

Johnson has intervened in Brexit talks several times so far this year, going over negotiators’ heads to speak directly to von der Leyen.

John Fahey, a senior economist at AIB, said the path for the pound would be determined by newsflow from negotiations and any outcome.

“From a sterling viewpoint, EU-UK trade talks remain a potential source of direction,” he said in a morning note sent to clients.

Source:

<https://uk.finance.yahoo.com/news/brexit-negotiations-latest-boris-johnson-significant-intervention-ursula-von-der-leyen-pound-euro-dollar-091516015.html>

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