

Liz Truss resignation will not steady markets easily

Liz Truss's resignation will fuel financial markets' fears as political chaos in the UK heightens, warns the chief executive officer of independent financial advisory, asset management and fintech organisation, deVere Group..



Source: [Fxabay](#)

The grim warning from Nigel Green follows the British Prime Minister's resignation this afternoon after just 45 days in office.

He says: "Markets are unforgiving. We have seen this in recent weeks when the pound hit historic lows against the dollar, gilt yields jumped, and stock markets dipped due to reckless economic policies set out by the Truss government.

"I fear that market volatility will not be over despite the resignation of Liz Truss, whose leadership campaign lasted 10 days longer than premiership."

"Investors know that the political chaos that has defined the UK throughout 2022 is nowhere near over, and this fuels uncertainty and drives turbulence in financial markets."

He continues: "Investors will look at the facts. In the last four months alone, the UK has had four chancellors, three home secretaries and two prime ministers.

"Now there will be a third PM who will put in place his or her own cabinet.

“Currently, there’s 10.1% inflation with a stranglehold over households and business, and there is no functioning government.

“To investors, the UK looks ungovernable, and its economy resembles that of an emerging market, not a G7 nation.”



Liz Truss resigns

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Green goes on to add: “There will be a relief rally in markets now that Truss has confirmed her departure, it will be short-lived as political upheaval remains.

“The pound, gilt markets, among others, will remain under pressure for the foreseeable future.”

The warnings being given by Green echo ones he issued on Monday when the new chancellor, Jeremy Hunt, scrapped most of Truss’s economic agenda in a bid to calm markets.

“We expect that the new measures to calm financial markets will only work temporarily.

“The massive loss of credibility cannot be regained all that rapidly. U-turns and abandoning landmark economic policy after economic policy does not inspire investor confidence and trust,” he noted.

“UK financial assets remain hugely unattractive for investors right now and markets will reflect this,” he said.

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