

rollover bullsbet

Image #169; Adobe Images

Speculative investors have boosted #39;long#39; exposure to the British

Pound by a further 58,063 contracts, according to £ , positioning data from the CFTC.

The latest weekly snapshot of FX investor positioning revealed the net GBP long position rose to £ , 58,063 contracts, its highest since November 2007, in the week ended July 11.

This equates to a \$4.7 billion bet on a stronger pound, according to Robert Howard, a foreign exchange market analyst at Reuters.

“Sterling is currently all the rage among dedicated £ , followers of foreign exchange fashion, less than a year after the disastrously received “autumn collection by Trussonomics” sent it to £ , a historic low,” he says.

The Pound-Dollar exchange rate last week reached its highest level in 14 months after peaking at £ , 1.31, the Pound-Euro exchange rate peaked at 1.1759.

Both currency pairs have retraced somewhat with investors displaying caution ahead of the £ , midweek release of UK inflation data, a pivotal reading that should determine the likelihood of another 50 basis point rate hike at the Bank of England in August.

“This was the largest, single currency positioning shift over the week. The improvement £ , in GBP sentiment takes bullish positioning among non-commercial traders to a new high,” says Shaun Osborne, Chief FX Strategist at £ , Scotiabank.

In mid-June, before the Bank of England unveiled the first of its “summer season” rate rises, the net GBP long £ , stood at a relatively modest 6,735 contracts. The bet has steadily grown since the Bank of England adopted a more £ , assertive approach in fighting inflation by dropping #39;dovish#39; guidance and surprising with a 50 basis point hike in June.

“Further upside £ , data surprises have prompted a sharp re-pricing in GBP rates, as markets co