

UK's refusal of Euro because of George Soros?

Source: <http://sci.tech–archive.net/Archive/sci.econ/2006–10/msg00054.html>

- *From:* "Brablo" <gestureofrespect@xxxxxxxxx>
 - *Date:* 4 Oct 2006 08:46:11 –0700
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From Wikipedia: ""On Black Wednesday (September 16, 1992), Soros

became immediately famous when he sold short more than \$10bn worth of pounds, profiting from the Bank of England's reluctance to either raise its interest rates to levels comparable to those of other European Exchange Rate Mechanism countries or to float its currency. Finally, the Bank of England was forced to withdraw the currency out of the European Exchange Rate Mechanism and to devalue the pound sterling, and Soros earned an estimated US\$ 1.1 billion in the process. He was dubbed "the man who broke the Bank of England." The Times October 26, 1992, Monday quoted Soros as saying: "Our total position by Black Wednesday had to be worth almost \$10 billion. We planned to sell more than that. In fact, when Norman Lamont said just before the devaluation that he would borrow nearly \$15 billion to defend sterling, we were amused because that was about how much we wanted to sell." ""

It seems to me that the British were on the path of accepting the Euro currency, however, their currency got "broke" due to George Soros. I am not sure about this, however. I have a few questions regarding George Soros' '92 transactions.

1. I know that he shorted ~\$10B worth of sterlings. How did this "break" the pound sterling? I'm thinking this is how it would break the currency: If I were to short \$10B worth of a stock, the transaction involves selling the stock, which makes the prices go down. So another words, any time you aggressively short something – and shorting can be highly leveraged – you create an immediate depression in the value of the underlying asset. Of course, the currency would appreciate once the shorting position must be "neutralized" (or the position is reversed).
2. How did George Soros and Drunkenmiller anticipate that the currency was going to get devalued? Using their criterias, is the USD likely to get devalued like it did in the '70s? What methods/metrics did they use to ascertain this?
3. Is the reason why the British haven't adopted the Euro traced to Soros' doing?