

Is Britain Bankrupt? Will the UK Lose its AAA Rating?

By [Global Research](#)

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Region: [Europe](#)

Theme: [Global Economy](#)

First Greece and Spain [lost their AAA sovereign credit rating](#).

Now, Bloomberg notes:

“The U.K. government may lose its top AAA credit rating after taking a 70 percent stake in Royal Bank of Scotland Group Plc, credit-default swaps show.”

Indeed, as the Financial Times writes:

The cost of buying credit protection for the sovereign debts of the UK, US, Ireland, Spain, Austria and Germany all hit fresh highs on Tuesday morning.**

The cost of buying five-year credit protection on the UK gapped wider to 133bp on Tuesday, compared to Monday's close at 124.9bp. Ireland was out at 281bp from 275.2bp yesterday, Spain was at 156.3bp, compared to 142.5bp, Austria climbed to 157.5bp from 146bp

Remember, [this chart](#) from December, showing one-month in credit default swaps bet against countries?



Well, Spain - which was the 11th biggest CDS target on the list, 7 places better than the UK - has already been downgraded. The UK is the 4th biggest target (right behind Greece and slightly ahead of Iceland, both of which have already been downgraded).

So a downgrade of the sovereign credit rating of the UK would be logical.

Source:

<http://georgewashington2.blogspot.com/2009/01/will-uk-lose-its-aaa-credit-rating.html>

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