



Former Goldman Banker Rishi Sunak To Be Next UK Prime Minister

Description

UK: As we predicted yesterday following Boris Johnson's decision to quit the race to regain the British Prime Minister title after his thunderous fall from grace just... three months ago, it was a foregone conclusion that former Goldman banker Rishi Sunak would become the next UK prime minister. Moments ago that's precisely what happened when his last remaining rival, Penny Mordaunt, pulled out of the race for 10 Downing Street.

JUST IN: [@RishiSunak](https://twitter.com/RishiSunak) has been elected as the Leader of the Conservative Party
pic.twitter.com/Oa52WWwFck

— Conservatives (@Conservatives) [October 24, 2022](#)

“We all owe it to the country, to each other and to Rishi to unite and work together for the good of the nation,” Mordaunt said in a statement on Twitter. The ruling Conservative Party confirmed Sunak, who is due to address rank-and-file MPs at 2:30 p.m., has been elected leader.

pic.twitter.com/w76rEvJdyQ

— Penny Mordaunt (@PennyMordaunt) [October 24, 2022](#)

As Bloomberg notes, it has been a remarkable turnaround in Sunak's political fortunes, after the former Chancellor of the Exchequer and former Goldman banker quit Boris Johnson's government in July and then lost out to Liz Truss in the last Tory leadership contest over the summer. But his repeated warnings that her plans would trigger economic chaos proved correct and put him in pole position when Truss's premiership imploded.

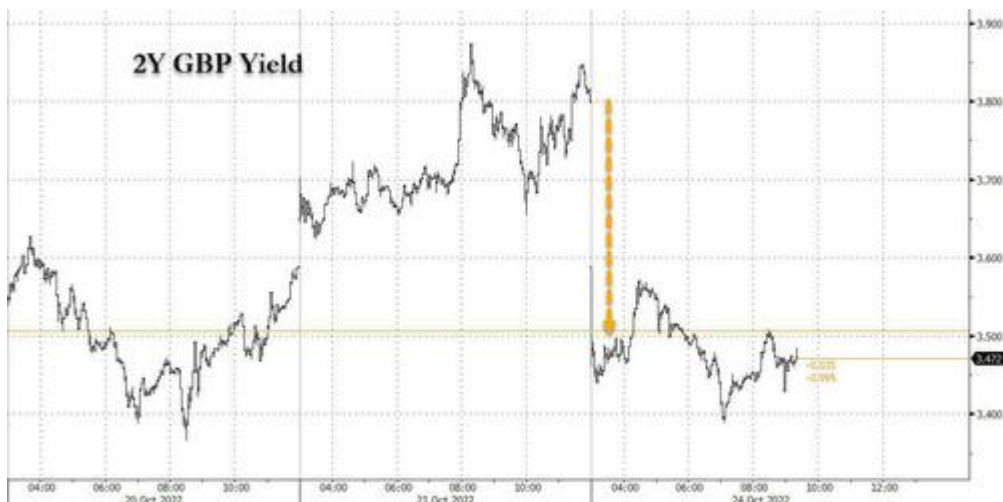
Even so, Sunak – who many have speculated is “willing to sell off the UK to his banker friends” – was no shoo-in given the bitterness and division in the Conservative Party. He's still tarnished in the eyes of many Tory MPs for his role in Johnson's downfall, and the former prime minister's flirtation over the weekend with what would have been an outrageous comeback just months after being ousted briefly

threatened to derail Sunak's hopes.

Yet in the end, he won after Boris Johnson withdrew without ever showing he had the support of 100 Tory MPs needed to formally contest the leadership. Likewise, Mordaunt pulled out on Monday shortly before influential Tory MP Graham Brady was due to announce which candidates had surpassed that threshold.

It meant a coronation for Sunak, 42, who becomes the UK's first Hindu prime minister and the country's youngest in more than 200 years. Grassroots Tory members, who had the final say when Truss beat out Sunak last time, will have no input this time around.

While markets took the news in stride, with 2Y gilt yields at one point plunging the most since 1992...



... cable has since reversed almost all of its overnight gains, as traders come to grips with the realization that there is no shortcut to success and Sunak now faces the same daunting task as his predecessors to try to bring unity to a party that has been through months of upheaval and is still tearing itself apart over fundamental issues including Brexit and the economy.

Some Tory MPs even say the party no longer has a mandate to govern, after a second change of leader since Johnson won the general election in 2019. "It will now be impossible to avoid a GE," former Culture Secretary Nadine Dorries said on Twitter.

After Sunak's predecessor, Liz Truss, fired her first finance minister and long-time political ally, Kwasi Kwarteng, just a week ago, Truss brought in Jeremy Hunt — who backed Sunak on Sunday — to try to restore calm. Hunt managed that to a degree, but also put the government on course to impose another punishing round of austerity at a politically sensitive time as Britons struggle with soaring living costs.

In a column for the Telegraph newspaper late Sunday, Hunt indicated that he and Sunak are on the same page on how to tackle the economy. Sunak will "turn the page on what went wrong, take decisions in the national interest and rebuild the extraordinary potential of our economy," Hunt said.

Hunt is due to deliver a major statement on the Treasury's tax-and-spending plans on Oct. 31, a date picked to better inform the Bank of England on how quickly it should raise interest rates. UK bonds

surged at Monday's open on expectations of a Sunak premiership.

The biggest question, however, now is the following:

How many days will Rishi Sunak survive as PM

— zero hedge (@zero hedge) [October 23, 2022](#)

by Tyler Durden

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