On AAA - and what might happen

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The UK has lost it's first AAA rating. The others will surely follow.

So what you say?

First, it was a Tory sniffs to commitment not to do so.

Second, that makes this. Resigning issue, but Osborne will not go.

Third, it's a real sign that Tory policy has failed.

Fourth it indicates that Labour has to offer a real alternative and sooner rather than later.

Fifth it may marginally increase the cost of UK borrowing.

However, sixth QE will deal with that. Expect more.

Seventh, it indicates devaluation is likely. I don't forecast a Black Monday although I don't rule it out. I do think significant movement in the value if sterling is likely (below $1.50 and settling there).

Eighth, that may give the economy the boost it needs to start recovery. For Labour this means to back to point four.

Don't doubt this is a big moment, but the outcome is unpredictable. And what Osborne feared most might yet save the economy. But no Chancellor or their party has survived a currency crisis.