

Daily Currency Market News - The reaction seen in currency markets yesterday to respective central bank policy decisions was instructive of the change in dynamics that we're seeing. The BoJ enacted a number of changes to its policy regime, which initially weakened the currency, but left it stronger by the close of play. Some of that move was no doubt down to market positioning, but it's also reflective of a market becoming more and more doubtful about the ability of the BoJ to have any impact on the deflationary mindset that still prevails. And then there's the Fed. At a granular level, the market pricing of a Fed hike in December increased, although statistically of course this is a given for a no change outcome this month, combined with the FOMC's judgement "that the case for an increase in the federal funds rate has strengthened". The dollar was weaker as a result though, with the dollar index around 0.3% weaker vs. the pre-decision levels. In other words, the currency markets were not that keen to start filling their boots with dollar on the basis of a December move. With a US Presidential election between now and then, there is a lot that can happen, so for now at least, it seems that Fed fatigue has set in. Stocks managed to rally into the NY close on the no-change decision, with the better tone being carried through into the Asia session. Without the Fed to obsess about, it's possible that we could see a better tone to risk assets in general, with the post-Fed reaction seeing the Aussie, Norwegian krone and South Korean won pushing ahead.

Today's important market news

Time: GMT

12:30 Chicago Fed National Activity Index
12:30 Initial Jobless Claims
13:00 Housing Price Index (MoM)
13:00 ECB President Draghi's Speech
14:00 CB Leading Indicator (MoM)
17:00 BOE's Governor Carney speech

Source: [Fxpro Forex Broker \(Fxpro Review and Forex Rebates Up to 85%\)](#)