

Tropical Storm Harvey caused extensive flooding along the US Gulf coast over the weekend and markets are evaluating the damage caused to US oil refining centers and the impact this will have on crude oil production. The region is home to 25% of US crude oil refining capacity, and some areas are expected to see 12 months' worth of rainfall in the span of a week. Although the full impact of the storm's damage is yet to be determined, the markets expect the impact will be felt globally and affect energy markets for many weeks. Following Hurricane Katrina in 2005, **US economic growth** dropped by 50% in a Quarter, therefore markets will be closely watching the damage from Harvey and its effect on the US economy. On Friday, the markets focused on speeches from the Jackson Hole Symposium. ECB President Mario Draghi said "the central bank's ultra-easy monetary policy was working and the euro zone's economic recovery had taken hold" – such comments helped EUR rise to levels not seen since 2015. The markets were disappointed with Fed Chair Yellen's speech, which focused more on financial stability. The markets had been looking for clues/hints on interest rates and with no information forthcoming sold USD. EURUSD traded as high as 1.09594 in early Monday trading, before retracing to currently trade at 1.1925. USDJPY is little changed over the weekend, currently trading around 109.15. GBPUSD is down 0.3% in early trading. Currently, GBPUSD is trading around 1.2885. Gold remains firm, up 0.3% in early trading and currently trading near Monday's high of \$1,295.63. WTI, down 0.62% on Monday, will be influenced by news

from the US Gulf coast with regards to Tropical Storm Harvey's impact on the region and the US's major refining region. Currently, WTI is trading around \$47.80pb. A relatively quiet day for data releases, today is a UK Bank Holiday, with the only moderately impactful release coming out of the US: At 15:00 BST, the Federal Reserve Bank of Dallas will release their **Manufacturing Business Index** for August. The markets will be looking to see another monthly improvement, as the previous general business activity index edged up to 16.8, marking a 10th consecutive positive reading. A strong reading will see USD buying - with the reverse being true for a weak reading.

### Today's important market news

Time: GMT

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- || 14:00  Dallas Fed Manufacturing Business Index

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  - || 23:30  Unemployment Rate

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  - || 23:30  Jobs/applicants ratio

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  - || 23:30  Overall Household Spending (YoY)

**Source:** [Expro Forex Broker Expro Forex Broker Review and Details](#)