

[text] **Source:** [FxPro Forex Broker \(Rebate Forex\)](#) News overnight that the PBOC adjusted lower its daily fix for the Chinese renminbi against the US dollar sent USDCNY flying to levels not seen for three years and caught many off guard. It could be seen as a retaliation to the IMF's recent announcement that they believe it's too early to give it reserve currency status. The PBOC aims to move the renminbi to a freer floating and accessible currency, prerequisites for it to be given the IMF's reserve stamp of approval and will see it move in a wider band. The move should also act as a stimulus to Chinese exporters and assist in injecting a little inflation domestically in the face of the continuing decline in commodity prices. The move hit the Aussie with AUSUSD tumbling to hit a low just above 0.7300 and if we see the next leg higher in the dollar, the Aussie could lose further ground. Yesterday's comments about low inflation from Fed vice chairman Stanley Fischer snuffed out the flames lit by Dennis Lockhart last week causing the dollar and US Treasury yields to retreat. This shows how next month's FOMC meeting and interest rate decision is finely balanced. With the words "data dependent" being more widely used special scrutiny will be given to US data releases with Thursday's retail sales being this week's highlight as today sees yet another quiet economic calendar apart from the German and Eurozone ZEW surveys. [/text]