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The euro retreated against the dollar after the disappointing monetary policy meeting by the European Central Bank last week. In early trading, slowdown in U.S. ISM manufacturing data weakened the dollar. The Federal Reserve Chair Janet Yellen strongly implied the rate hike execution in December however in regards to most recent U.S. economic indexes showing slow improvement, limited the euro weakening. The Eurozone decided to lower the deposit rate by 10bp at the ECB monetary policy meeting, lower than market's expectation, let the EUR/USD hit 1.10. But the improved U.S. labor data on Friday limited the euro gaining further. In the U.S., the Labor Department reported the U.S. economy added 211,000 jobs in November, above 200,000 jobs seen. The unemployment rate slightly ticked to 5% in November. The report supported the existing expectations toward rate hike in mid-December by Federal Reserve, strengthened the dollar. EUR/USD changed hand at 1.0880, down 0.56%. The pair yet closed the week with gains of 2.81%. The Australian dollar fell in Asia on Monday with little regional data amid solid expectation of a Federal Reserve rate hike this month. In Australia, AI and HIA November construction index declined 1.4 points to 50.7 with new orders decreasing in all groups. AUD/USD traded at 0.7334, falling 0.10%. Japanese yen also ticked down in Asia on Monday amid increased rate hike expectation by Federal Reserve. USD/JPY changed hands at 123.22, up 0.09%. In the week ahead, investors will be looking ahead to central bank meetings in the

U.K, Switzerland and New Zealand. The Bank of England Governor Mark Carney is to speak before the European Parliament Committee on Economic and Monetary Affairs on Monday, In Brussels. Also, upcoming U.S. data on retail sales and inflation will be in focus for determination of Fed rate hike in mid-December.

Weekly Events and Forecasts

Ahead of the coming week, Solforex has compiled a list of these and other significant events likely to affect the markets.

Monday, December 07

Japan is to release composite leading index. Germany is to publish data on industrial production. The Bank of Japan governor Haruhiko Kuroda is to speak at an event. The Bank of England governor Mark Carney is to testify before the EPC meeting in Brussels. In the U.S., the labor market conditions index and data on consumer sentiment are due.

Tuesday, December 08

Japan is to release data on current account and revised GDP growth. Australia is to publish NAB report on business confidence. China is to release data on its trade balance. England is to publish data on manufacturing production and industrial production. In the Eurozone, revised third quarter GDP growth is due. Canada is to release data on building permits.

Wednesday, December 09 In Australia, Westpac is to report on consumer sentiment followed by data on home loans. Japan is to

publish data on core machinery orders. China is to release data on both consumer and producer price inflation. Germany is to release data on its trade balance. China is to publish data on new loans and M2 money supply.

Thursday, December 10

New Zealand is to hold monetary policy meeting and announce its benchmark rate and give rate statements. Japan is to release data on manufacturing private sector and producer price inflation. Australia is to publish labor data on employment movements and unemployment rate. England is to release data on trade balance followed by the monetary policy meeting by BOE and rate statements. The U.S. is to release data on initial jobless claims and import and export prices. **Friday, December 11** Germany is to release data on consumer and wholesale price inflation. The U.S. is to publish data on producer prices, retail sales and consumer sentiments. On Saturday 12th, China is to publish data on fixed asset investment, industrial production and retail sales.