

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

The dollar weakened broadly against other major currencies on Friday after steep decline in oil prices and Chinese yuan, brought concerns toward economy slowdown to emerging markets and commodity linked markets. The dollar was firm after the solid improved U.S. labor data in the beginning of the week, but the oil prices reached below 38\$, lowest levels since 2009 and the dollar was weakened due to increased concerns for global market slowdown. The loss was yet limited ahead of FOMC meeting this week. The funds that were moved to emerging markets after quantitative easing by Bank of Japan and ECB broke away and strengthened back the euro and yen. EUR/USD rose 0.48%, traded at 1.0992 with gains of 1.03% for the week. USD/JPY fell 1.81% for the week, traded at 120.99 in late trade on Friday. The dollar was also lower against the pound traded at 1.5217. Chinese yuan fell to the lowest levels in four and half years on Friday, worsening investors' concerns toward slow growth in the world's second largest economy leading global market slowdown. Still most investors expect the Federal Reserve to raise interest rates for the first time in almost ten years at upcoming meeting on December 15th. Recent solid U.S. data supported the expectations that the economy is on a strong enough phase for the rate hike. Japanese yen gained on Monday in Asia after the Tankan Sentiment index showed steady outlook of manufacturing. Large manufacturing firms in Japan showed +12 for the fourth quarter, while non-manufacturing large firms slightly moved to +18

from +19. Positive figures gave indications that major firms are in a better business conditions. USD/JPY traded at 120.86, down 0.10% after the data. The Australian dollar slightly ticked up in early Asia on Monday despite steep drop of yuan as investors found hope in published data in China. The Aussie is highly linked to Chinese economy as China is the largest partner of trades in Australia. The weekend data showed industrial production in China rose 6.2% in November while retail sales rose 11.2% as well as rise in fixed investment by 10.2%. All data showed the industrial output is in growth footing with better than expected performances. AUD/USD rose 0.01% to 0.7189. In the week ahead, investors will be focusing to Wednesday's outcome of the final FOMC meeting of 2015. Upcoming data on U.S. inflation, manufacturing and industrial production will be also closely watched for better indication of rate decision ahead of the meeting.

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 14

Japan is to release Tankan manufacturing and non-manufacturing index. The U.K is to release housing price index. Japan is to release data on industrial production. The Eurozone is to release data on industrial production. **Tuesday, December 15** In Australia, The Reserve Bank of Australia is to release minutes on its recent monetary policy meeting followed by the data on house price inflation

and auto sales. The U.K. is to release data on consumer and producer price inflation as well as retail price index. In the Eurozone, ZEW institute is to report on its economic sentiment. Canada is to publish data on manufacturing sales. In the U.S., data on consumer price inflation, New York state manufacturing activity and housing market index are due. Investors will be attentive to the data ahead of the FOMC meeting for better indication of rate decisions by Fed.

Wednesday, December 16 In the Eurozone, bundle of data will be published on PMI manufacturing and non-manufacturing index, consumer price inflation and trade balances. The U.K. is to report on monthly employment. In the U.S., data on building permits, new starts, industrial production and PMI manufacturing index are to be published. Also, The FOMC meeting outcome will be announced followed by the Fed Chair Janet Yellen's press conference. **Thursday, December 17** New Zealand is to release data on third quarter GDP growth. Japan is to publish data on its trade balance. In Germany, IFO institute is to report on the business climate. The U.K. is to release data on retail sales. The U.S. is to publish reports on initial jobless claims and Philadelphia's manufacturing activity. **Friday, December 18** New Zealand is to publish data on its business confidence. In Japan, The Bank of Japan is to publish minutes on its recent monetary policy meeting. Canada is to release data on consumer prices and wholesale sales. The U.S. is to publish data on PMI service sector.