

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

Crude oil prices fell to fresh near 7-year lows on Friday after the International Energy Agency forecast weaker demand for oil in 2016. In its latest monthly report, the IEA said that demand for oil next year will fall to 1.2 million barrels a day from this year's 1.8 million barrels a day. US crude oil futures hit their lowest since February 2009 of \$35.15 on Friday and were only marginally firmer today at \$35.50. Industrial production in China rose to a 5-month high of 6.2% y/y in November against expectations it would stay unchanged at 5.6% y/y. Retail sales were also stronger-than-expected at 11.2% y/y, while fixed asset investment in urban areas came in unchanged at 10.2% y/y versus estimates it would fall to 10.1%. However, the data did little to change the outlook for the yuan as the People's Bank of China continued to set a lower midpoint for the currency against the US dollar. The greenback stood at 6.4586 yuan in onshore trading in late Asian session. The yen was firmer after the Bank of Japan's latest quarterly survey beat estimates. The all-industry index fell by just 0.1% to 10.8% in the fourth quarter versus estimates it would fall to 10.2%. The large manufacturers and non-manufacturing surveys were both unchanged from the previous quarter against forecasts of a slight deterioration. The dollar fell to around 120.76 yen after the data but had climbed to 121.26 yen in late Asian trading. The euro was off Friday's high of 1.1030 dollars and retreated to 1.0960 dollars on slightly improved risk sentiment on Monday, while sterling was flat at 1.5187 dollars. The South African rand rose sharply after

the country's President appointed a former finance minister to replace newly appointed David van Rooyen as finance minister. Markets reacted negatively last week to van Rooyen's appointment but the rand was higher today on the news of the u-turn. The dollar was down around 15.06 against the rand from Friday's highs of around 16 rand. Coming up later today, Eurozone industrial production data will be the only major data of the day but a speech by the ECB's Mario Draghi in Italy may also attract some attention.