

Weekly Forex News (2015.12.21) Source: [SolForex Broker \(Rview and Forex Rebates Up to 85%\)](#)

The U.S. dollar was broadly higher last week after the Federal Reserve decided to raise the initial interest rate first time in nine years with support from improved national economic indicators. The euro was slightly bullish at the beginning of the week after ECB president Draghi mentioning it can reach the inflation rate of 2% as expected showing confidence on the economy. But the U.S. consumer prices and New York state manufacturing were showing solid improvements ahead of FOMC meeting, turned the euro bearish. Japanese yen boosted against the dollar on Friday after the monetary policy meeting by Bank of Japan with its latest easing measures fell short of market expectations. The Bank of Japan kept its main monetary easing target at ¥80 trillion, but decided to extend the government bonds maturity, setting up a ¥300 billion fund to buy exchange traded funds. USD/JPY hit 123.52 after the announcement before turning down 1.14% to 121.16 as investors found BoJ's easing movement was not too significant.

The pound rose against the dollar on Friday, recovering from its eight-month loss as investors found the further rate hike will take on slower pace than expected. Fed Chair Janet Yellen announced after the rate hike decision that further rise will be gradual and dependent on upcoming data. GBP/USD hit 1.4950 before consolidating at 1.4934, up 0.21%.

Elsewhere, the oil price dropped to near seven year lows as

continuing concerns on a global over-supply pressuring prices, leading global equity markets to tumble on Friday. Emerging markets and commodity linked currencies showed variation with steep dropping of oil prices.

The Australian dollar held weaker in Asia on Monday with no major data ahead with holiday thinned trading. AUD/USD traded at 0.7167, falling 0.27%. In New Zealand, the Westpac consumer sentiment rose to 110.7 for the fourth quarter from 106.00 in the third quarter. NZD/USD traded at 0.6730, ticking 0.06%.

In the week ahead, trading volumes are expected to be thinned and calm due to Christmas holiday market closure. The U.S. will release key reports on GDP, jobless claims and home sales.

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 21

Bank of Japan is to publish its monthly report on the economy.

Germany is to release producer price inflation.

Tuesday, December 22

The U.K. is to release GfK consumer sentiment index and data on public sector borrowing. Germany is to release import price index and GfK consumer sentiment index. The U.S. is to release the final third quarter GDP and data on existing home sales.

Wednesday, December 23 Japan markets are closed. New Zealand is

to release data on its trade balance. The U.K. is to publish data on its current account, GDP growth and business investments. Canada is to release data on retail sales and economic activity. The U.S. is to release bundle of data on durable goods order, personal income and expense, new home sales, consumer sentiments and oil inventories.

Thursday, December 24 Markets in Germany, Italia, Brazil, and Hong Kong are closed for Christmas Eve. Bank of Japan is to release minutes on the latest monetary policy meeting. The U.S. is to release data on initial jobless claims and weekly natural gas inventories.

Friday, Decemeber 25 Markets closed: United States, Germany, France, United Kingdom, Canada, Australia and New Zealand. Japan is to release string of data on household spending, consumer price inflation, unemployment rate and housing starts.