

Weekly Forex News (2016.01.18) Source: [SolForex Broker](#)
[\(Review and Forex Rebates up to 85%\)](#)

The euro rose against the dollar on Friday as the concerns on oil prices drop continued to weigh. Beginning of the week, the euro was weakened as the offshore yuan slightly appreciated and China central bank tries to regulate the pace of devaluation. Thus, woes toward emerging markets were eased and turned the euro bearish. Also, the trade balance in China showed great improvement than the expectation further weakened the euro. But the U.S. economic report showed shrinkage in numbers and the oil prices hit below \$30 in later week, brought back fear on emerging market slowdown and turned the euro bullish, shortening its loss. EUR/USD pair gained +0.46%, traded at 1.0915 in late trade.

The U.S. dollar was weakened against the euro and yen after weak U.S. economic data on Friday in combination of increased concerns on emerging markets economy. The U.S. retail sales fell 0.1% in December, compared to 0.1% increase seen. Also, the industrial output fell three months in a row by 0.4% last month, below 0.2% decline expected, while U.S. producer prices also declined. The dollar itself fell -0.13% against other major currencies, limited its loss by gaining from commodity linked currencies. USD/JPY fell -0.84%, traded at 117.05. The commodity producing countries and emerging market currencies tumbled as the oil prices dropped to its fresh low below \$30 since November 2003. Also, the commodity prices for industrial production declined as decline in U.S. industrial production and New York State manufacturing grew fear on demand depression.

Copper fell -1.64%, nickel fell -2.12%, iron fell -2.31%, and aluminum fell -0.66%. AUD/USD fell 1.73% for the day and hit lows of 0.6828, the weakest since May 2009. CAD/USD fell to a fresh 12 year lows by falling 1.22% at 1.4540. NZD/USD also fell 0.2% to three and a half month lows at 0.6459. The British pound dropped to new five and a half year lows against the dollar on Friday as Brent crude oil price hit \$29.93, the lowest since 2004. GBP/USD fell -1.10%, hitting 1.4339 the lowest since 2010 before consolidating at 1.4357. Elsewhere, emerging market currencies were generally weakened. South African rand fell 2.07%, Mexican peso fell 2.08%, Turkish lira dropped 0.81%, Norway crone dropped 0.62%, and Russian ruble fell 1.86%. In the coming week, investors will be looking ahead to Chinese economic growth data for fourth quarter as well as the Eurozone private sector growth on Friday.

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, January 18** U.S. markets are closed for Martin Luther King Day. Australia is to release data on new auto-sales. China is to release data on housing prices. Japan is to publish data on industrial production. **Tuesday, January 19** China is to release bundle of data on GDP growth, industrial production, retail sales, and fixed asset investment. Germany is to publish data on consumer price inflation followed by the ZEW report on German economic sentiment. Eurozone is to

publish data on current account and consumer prices. The U.K. is to release data on consumer and producer price inflation and retail sales. The U.S. is to release data on housing market index.

Wednesday, January 20 New Zealand is to release data on consumer price inflation. Germany is to publish data on producer price inflation. The U.K. is to release employment data on new unemployment claims, unemployment rate and average earnings. Canada is to publish data on manufacturing sales and wholesale sales. Also, Bank of Canada is to release the minutes of its recent monetary policy meeting. The U.S. is to release bundle of data on consumer price inflation, housing new starts and building permits.

Thursday, January 21 In the Eurozone, European central bank is to hold monetary policy meeting and announce its benchmark rates. The ECB governor Mario Draghi is to give statements on monetary policy decision. The U.S. is to release data on initial jobless claims and Philadelphia state manufacturing as well as weekly inventory for natural gas and crude oils.

Friday, January 22 Japan is to release data on PMI manufacturing index. Eurozone is to release data on PMI manufacturing sector. The U.K. is to publish data on retail sales. Canada is to release data on consumer price inflation. The U.S. is to release PMI data on manufacturing sector and existing housing sales.