

Source: [SolForex Broker \(Rview and Forx Rebates Up to 85%\)](#) The dollar and yen gained amongst major currencies with fresh falls in oil prices and equities, increasing safe asset preferences. The dollar itself eased 0.23% on Friday but still gained 0.65% in weekly basis. The dollar found support with greatly improved U.S. data earlier in the week giving hopes to investors that the Federal Reserve is likely to step on a tightening path this year. On Friday, the U.S. consumer price rose 1.4% in January, above 1.3% increase seen. Core inflation excluding food and energy rose larger than expected 2.2%. The dollar however fell against safe haven yen with USD/JPY pair trading at 112.66, down 0.53% on Friday. The euro edged up against the dollar on Friday with oil prices drops. EUR/USD traded at 1.1130, up 0.22%, but still ended the week lower by 0.83%. On Thursday, the European Central Bank's recent meeting reinforced expectations that the central bank is going to take further easing next month with continuous risks on growth and inflation. EUR/JPY also hit lows of 125.00 before settling at 125.36. British pound boosted with increased expectations that European Union members would reach an agreement for Britain to remain in the union. The currency was also supported by the upbeat U.K. retail sales that was stronger than expected. GBP/USD gained 0.47%, traded at 1.4405. On Saturday, China replaced China Securities Regulatory Commission Chair Xiao Gang to Liu Shiyu, chairman of the Agricultural Bank of China, likely as a response to failure in employing circuit breaker in the stock market. It also grew speculation that the central bank will seek to cut

in the reserve ratio in medium term to stabilize market expectations. China also readjusted the consumer prices for food, tobacco, and alcohol by lowering 3.4% while increasing other goods to reflect consumption patterns. Elsewhere, the commodity linked currencies such as Canadian dollar, New Zealand dollar, and Australian dollar were generally lower with impact from fresh slide in oil prices. In the week ahead, investors will be looking to Eurozone's business activity data for better indication of improvement in the economy. Thursday's U.S. report on durable goods order will be also watched for hints on manufacturing sector.

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, February 22 Japan is to release data on manufacturing. In Germany, data on GDP growth and IFO's report on business climate are due. The U.K. is to publish data on industrial production. The Eurozone is to release data on manufacturing and service sector. The U.S. is to release data on manufacturing and a separate manufacturing report in Chicago region. Tuesday, February 23 Germany is to release data on GDP growth and IFO institute's report on business sentiment. The U.S. is to release bundle of data on consumer sentiment, town house prices, existing home sales, and Richmond region manufacturing. Wednesday, February 24 Australia is to release data on construction completions and wage prices. Japan is to release data on business service prices. The U.K. is to publish data on mortgage approvals.

The U.S. is to release data on mortgage claims, PMI service sector, and new housing sales. Thursday, February 25 Australia is to release data on capital expenditures. Germany is to publish data on consumer prices followed by GfK's report on consumer trend. The U.K. is to publish data on revised GDP for fourth quarter and service activities. In the Eurozone, data on consumer prices, monetary supply, and personal loans are due. The U.S. is to release data on durable goods order, weekly initial jobless claims and housing prices. Friday, February 26 New Zealand is to release data on trade balance. Japan is to release data on consumer prices. China is to publish data on housing prices. In the Eurozone, bundle of data on consumer survey, sentiment, and inflation are to be released followed by reports on industrial forecasts and service sector. The U.S. is to release data on revised fourth quarter GDP, personal earnings and expenses and consumer sentiment.