

**UK Budget, FOMC meeting (2016.03.16) Source: [Fxprimus](#)**  
**[Forex Broker \(Review and Forex Rebates Up to 85%\)](#) Wednesday,**  
**16 March 09:30 GMT: UK Labour market data (Jan, Feb)**

Today's labour market data will form the backdrop to tomorrow's Bank of England Monetary Policy Committee meeting. The figures are expected to be in line with previous months' figures showing a steady improvement in the labour market, including a slight uptick in average weekly earnings.

Upcoming economic indicators and events					
Time (GMT)	Country	Indicator	Month	Expected	Previous
Wednesday, 16 Mar					
09:30	UK	Claimant count rate	Feb	2.2%	2.2%
09:30	UK	Jobless claims change	Feb`	-9.1k	-14.8k
09:30	UK	ILO Unemployment rate	Jan	5.1%	5.1%
09:30	UK	Average weekly earnings	Jan	2.0%	1.9%
12:30	UK	Budget speech			
12:30	Canada	Manufacturing sales (MoM)	Jan	0.8%	1.2%
12:30	US	Housing starts	Feb	1150k	1099k
12:30	US	Building permits	Feb	1201k	1202k
12:30	US	CPI (MoM)	Feb	-0.2%	0.0%
12:30	US	Core CPI (MoM)	Feb	+0.2%	+0.3%
13:15	US	Industrial production (MoM)	Feb	-0.2%	+0.9%
13:15	US	Capacity utilization	Feb	76.9%	77.1%
18:00	US	FOMC Rate decision (Upper Bound)		0.50%	0.50%
21:45	NZ	GDP (SA QoQ)	4Q	0.7%	0.9%
21:45	NZ	GDP (YoY)	4Q	2.1%	2.3%
23:30	Japan	Trade balance (NSA)	Feb	¥400bn	-¥649bn
23:30	Japan	Trade balance (SA)	Feb	¥235bn	¥119bn
Thursday, 17 Mar					
00:30	Australia	Employment change	Feb	13.5k	-7.9k
00:30	Australia	Unemployment rate	Feb	6.0%	6.0%

**Normally this would be a major indicator for the UK, but today it's likely to be overshadowed by the Budget.**



**00:00 GMT: UK 2016 Budget** Pre-election budgets are generally "give-aways" that aim at boosting the economy and the popularity of the ruling party, while "post-election budgets" tend to be "clean-up" budgets where the winners try to get all the restructuring pain out of the way as early in their administration as possible. Furthermore, Chancellor Osborne has pledged to bring the budget into balance within the life of this Parliament, which is a fairly tight schedule. However, **it's not politics as normal in Britain right now**. The upcoming Brexit referendum is far, far more important than any election. It's almost an existential decision for the UK -- nobody knows what would happen not only to Britain's economy and its role in the world, but even to the United Kingdom itself if they vote to leave. Against that background, **I think winning the "in" vote will**

**take priority this time around.** At the same time, blatantly abandoning his fiscal target in order to win the vote would undermine Chancellor Osborne's credibility and indeed mar the entire "in' side. So it's going to be a tricky balancing act. I'd expect to see a fairly neutral budget, one that's less restrictive than usual for the first budget after an election and perhaps also less restrictive than Chancellor Osborne might prefer, but by no means in the "give-away" category. Macroeconomic theory doesn't say anything about what a loose monetary/loose fiscal policy mix should do for a currency. However, **the reality right now is that a budget that makes it less likely Britain will leave the EU should be positive for the pound.** So I'd expect consumer sentiment in the UK to rise after the budget and for the pound to gain as a result.

