

**Market Review for March 17, 2016 Source:** [Vinson Financials Broker\(Review and Forex Rebates Up to 85%\)](#)

During last night FOMC meeting FED left interest rate unchanged at 0.50% as widely expected. The updated projections of the policymakers forecast two rates hikes by the end of 2016 instead of four. The projections and statement revealed a very dovish Fed, which was a relatively big surprise improvement in US data, rebound in risk sentiment and higher-than-expected inflation prints were recently seen. The rate is expected to rise near 0.90% until next December and this is considered a drastic change from December's projection of 1.4% by end of 2016, Fed funds rate is projected to be 1.875% by the end of 2017, down from prior forecast of 2.375%. As a result a selloff of the USD across the board was caused. EURUSD broke the 1.1220 resistance and now is trading near 1.1290. Also last night the New Zealand GDP rose 0.9% q/q in Q4, better than the expected 0.7% q/q. Australia employment rose 0.3K versus expectation of 12.3K but unemployment dropped to 5.8%. The same time Japan trade balance came in at 0.17 trillion JPY. In the main events of the day so far we had the SNB rate to remain unchanged at -0.75%. EURCHF is trading near 1.0980. The SNB has commented that the CHF remains overvalued, while it continues to be ready to intervene in the FX markets if needed. The central bank has also revised lower its inflation forecasts, citing lower energy prices as the main reason in the near term, while global low inflation and a tepid global outlook will impact on prices in the longer run. On the other hand Norway central bank lowered by 25

bps point to 0.50% its key policy rate. The central bank comments that the norwegian economy could be exposed to new major shocks, the executive board will, however, not exclude the possibility that the key policy rate may turn negative. BOE is the main focus of the rest of the day. GBPUSD is trading near the 1.4300 area. BOE is expected to keep the rates unchanged. Analysts do not see high chance of any move ahead of the June 23 referendum on whether Britain should remain in the European Union. US will release Unemployment Claims and Canada Wholesale Sales m/m data during US session. View our full [economic calendar](#) for a daily roundup of major economic events.

**Data releases to monitor:** GBP: MPC Official Bank Rate Votes, Monetary Policy Summary, Official Bank Rate, Asset Purchase Facility USD: Unemployment Claims, Philly Fed Manufacturing Index, Current Account CAD: Wholesale Sales m/m