

A dollar pause (2016.03.29) Source: [Fxpro Forex Broker\(Review and Forex Rebates Up to 85%\)](#) The sustained rally in the dollar seen over last week came to a halt yesterday, the dollar index ending its run of 6 consecutive sessions of gains. This was predicated in part on signs that Fed officials were becoming more confident on the ability of the economy to shoulder a further increase in rates this year. There is likely to be an air of caution in markets today ahead of a speech by Fed Chair Janet Yellen later today, where she is scheduled to speak on the economy at the Economic Club of New York. No doubt this will be scrutinised for fresh leads on the Fed's thinking, given that some of the recent more hawkish comments have come from current non-voting members. Yesterday's data also helped to take the shine off the dollar and some estimates now have GDP in the first quarter below 1.0% on an annualised basis, which does not make for a great backdrop for a rate increase as early as April. Liquidity should return to markets today after the Easter Break, although we could still be set-up for a choppy week with calendar month end on Thursday and the US Employment Report on Friday. The stand-outs on the currency front remains the Brazilian real, the strongest performing on the major emerging markets so far this year and this coming in the wake of its sharp underperformance seen last year. This comes despite the ongoing political turmoil being seen. On the majors, it's hard to ignore the volatility being seen in sterling, which has fallen to the 1.42 level in early European trading before recovering to the opening levels around the 1.4230 area. Sterling still

continues to trade more like a risk currency as the EU referendum approaches in June, so weakening as safe haven assets and currencies rise. EURJPY is worth keeping an eye on as it approaches the March high of 127.29, with a similar picture seen on AUDJPY, which is currently just shy of the 86.41 high seen earlier this month.

Today's important market news

Time: GMT

14:00	Consumer Confidence
16:20	Fed's Yellen Speech
23:50	Industrial Production (YoY)