

FOMC, BoJ, RBNZ, GDP and inflation data; Ifo - A very busy week for the markets, featuring three major central bank meetings (**FOMC**, Bank of Japan and RBNZ), several countries' Q1 GDP data, and the CPI data from a number of countries. On the other hand, we're relatively low on speakers this week, with only one Fed speaker on Friday to tell us what Wednesday's decision actually means. The FOMC will be the highlight of the week and it won't be. On the one hand, the market puts zero (0.0%) probability of a hike at this meeting, and I wouldn't argue with that. Moreover, there's no press conference afterwards, nor is anyone allowed to speak until Friday. All we'll have to go on is the statement. Given that the market has heard a number of generally dovish Fed speakers recently, I would expect even a neutral Fed statement to cause the market to push up the likelihood of a June rate hike (currently only 21%), thereby proving USD-positive.

Upcoming economic indicators and events					
Time (GMT)	Country	Indicator	Month	Expected	Previous
Monday 25-Apr					
08:00	Germany	Ifo Business Climate	Apr	107.0	106.7
08:00	Germany	Ifo Current Assessment	Apr	113.6	113.8
08:00	Germany	Ifo Expectations	Apr	100.9	100
14:00	US	New home sales	Mar	520k	512k
14:30	US	Dallas Fed manufacturing index	Apr	-9.0	-13.6
Tuesday 26-Apr					
12:30	US	Durable goods orders (mom)	Mar (P)	1.9%	-3.0%
12:40	Canada	Bank of Canada Gov. Poloz speaks at US-Canada Securities Summit			
13:45	US	Markit services PMI	Apr (P)	52.5	51.3
14:00	US	Conference Board consumer confidence	Apr	95.6	96.2
14:00	US	Richmond Fed manufacturers' index	Apr	10	22
22:45	NZ	Trade balance	Mar	NZD 401mn	NZD 339mn
Wednesday 27-Apr					
01:30	Australia	CPI (qoq)	1Q	0.2%	0.4%
04:30	Japan	All industry activity index	Feb	-1.4%	2.0%
06:00	Germany	GfK Consumer Confidence	May	9.4	9.4
08:00	EU	M3 money supply	Mar	5.0%	5.0%
08:30	UK	GDP (qoq)	1Q (P)	0.4%	0.6%
14:00	US	Pending home sales (mom)	Mar	0.2%	3.5%
18:00	US	FOMC rate decision (upper bound)		0.5%	0.5%
21:00	NZ	RBNZ official cash rate		2.25%	2.25%
23:30	Japan	National CPI (yoy)	Mar	0.0%	0.3%

There's much more debate and anticipation about the BoJ meeting. Bloomberg's survey of forecasters showed that almost everyone - 40 out of 41 - expects some policy change by the end of the year, with 23 expecting it at this meeting. As for what they might do, the domestic reaction to negative interest rates has been, well, negative, and they are already buying up most of the JGB issuance. It was reported on Friday that they are considering a lending facility for banks with negative rates, much like the ECB's TLTRO2 program. If that's all there is, then there will probably be a "buy the rumour, sell the fact" reaction and the yen could strengthen. The RBNZ rate decision, coming as it will only 3 hours after the FOMC, may get lost in the

general market activity. Nonetheless the market is attributing about a 50-50 chance of a cut, so there is likely to be good volatility no matter what the decision is. The currency has strengthened since the last meeting, but as in Australia, **commodity prices** (dairy, specifically) have strengthened too. Meanwhile, the government has been exerting pressure on Gov. Wheeler to get inflation up. I would expect no change in rates but a definite easing bias and comments about the **NZD** that leave the currency weaker. **Source:** [Fxprimus Forex Broker \(Review and Forex Rebates Up to 85%\)](#)