

Daily Forex Analysis - We're in what can only be described as a slightly messy phase in currency markets at present. Those currencies that were seemingly a one-way bet have seen some fairly sharp reversals. The yen is the most obvious of these, after Friday's speculation (Bloomberg, subsequently denied by BoJ) that the central bank is considering offering negative rates on loans. This saw the biggest one day up-move on **USDJPY** since the end of January, when the BoJ announced its surprise negative rates policy (on deposits). Welcome to the ever more bizarre world of central bank policy, where the conventional was exhausted a long time ago, unconventional is reaching its limits, which just leaves room for the every more bizarre policies to get economies moving again. We have a BoJ policy meeting at the end of this week, so it's likely that the market will be reluctant to push the yen that much higher going into it, for fear that such speculation could turn into policy. Elsewhere, sterling was meant to be ever more fearful of the impending Brexit referendum coming this June. But the bearishness that pervaded most of the first quarter has lifted over the past four weeks, sterling managing a modest but choppy reversal against the dollar and a more meaningful reversal against the single currency. Ahead of the BoJ meeting on Thursday, we have the Fed meeting on Wednesday. We're unlikely to get any major changes to the Fed's statement, but it's likely that we will see a cautious dollar in the interim. Elsewhere, the weekend has seen the first round of the Presidential contest in Austria where mainstream parties lost out to the more peripheral parties. The right-wing FPO

candidate gained 36% of the vote. This is a trend we've seen in many **Eurozone countries** and although not immediately having an impact on the single currency, it's an on-going trend that could well have longer-term consequences for the single currency project. **Source:** [**Fxpro Forex Broker \(Review and Forex Rebates up TO 85%\)**](#)