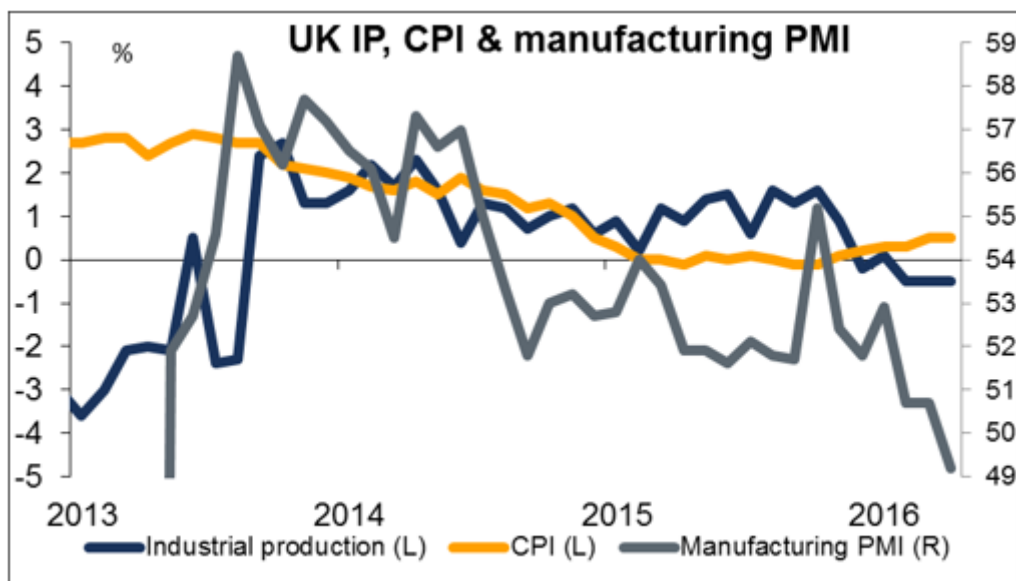


Bank of England Meeting, EU industrial production, BoJ Kuroda comments - The **Bank of England Monetary Policy Committee (MPC) meeting** will take center stage today. The outcome of the meeting is hardly under debate: another 9-0 vote to keep policy unchanged is about as certain as things get in the financial world. Attention will therefore focus on the tone of the minutes and, more importantly, the revised forecasts in the **Inflation Report** that comes out at the same time. There will be a press conference with Gov. Carney following the publication of the report.

Upcoming economic indicators and events					
Time (GMT)	Country	Indicator	Month	Expected	Previous
Thursday 12-May					
01:00	Japan	BoJ Gov. Kuroda appears before Parliamentary Committee			
05:00	Japan	Eco watchers survey: current	Apr	44.9	45.4
09:00	EU	Industrial production (SA mom)	Mar	0.0%	-0.8%
09:00	EU	Industrial production (WDA yoy)	Mar	1.1%	0.8%
11:00	UK	Bank of England MPC meeting		0.5%	0.5%
12:30	US	Import price index (mom)	Apr	0.6%	0.2%
12:30	US	Initial jobless claims	07-May	265k	274k
12:30	Canada	New Housing price index (mom)	Mar	n.a.	0.2%
15:00	US	Cleveland Fed President Mester speaks about inflation dynamics			
15:45	US	Boston Fed's Rosengren speaks on the current economic outlook			
16:40	EU	ECB's Constancio speaks on "Challenges for the European Banking Industry"			
17:30	US	Kansas City Fed's George speaks on the US economy			
22:45	NZ	Retail sales ex inflation (qoq)	1Q	1.0%	1.2%
Friday 13-May					
03:30	Japan	BoJ Gov. Kuroda speaks at Research Institute of Japan			
06:00	Germany	EU-harmonized CPI (yoy)	Apr (F)	-0.3%	-0.1%

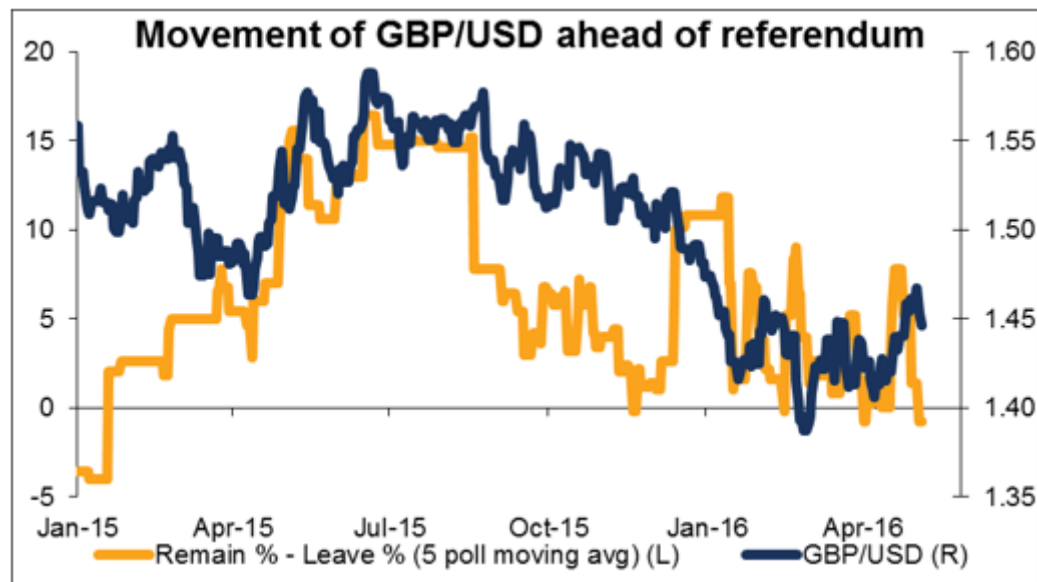
The minutes to the last MPC meeting in April said that the data were likely to prove harder to interpret than usual, because of the unsettling impact of the EU referendum on activity. That's all to the good, because the news has largely been negative. The April PMIs were all well below estimates, with the manufacturing PMI actually

slipping below 50. Yesterday's March industrial and manufacturing production figures also missed forecasts, with output continuing to fall on a yoy basis. On the other hand, there are some signs that inflation is gradually accelerating. This makes for a difficult policy mix.



Until the referendum is over however the BoE is likely to maintain a cautious stance, which is likely to keep GBP under pressure, in my view. Needless to say, the path of the UK economy after the referendum will be very different depending on the result. That poses a problem when the Bank makes its new forecasts. Gov. Carney has explained that the Bank takes developments in markets and surveys as given and feeds those through into the forecast. Rather than try to forecast the winner, they just assume that the *status quo* continues. However, the latest polls show the "Leave" side winning, albeit by a small margin. That's a problem as the markets

discount at least a possibility of "Leave" but the Bank basis its forecasts on "Remain." How to resolve this contradiction will probably be one of the main topics of the press conference.



Source: [Fxprimus Forex Broker \(Review and Forex Rebates Up to 85%\)](#)