

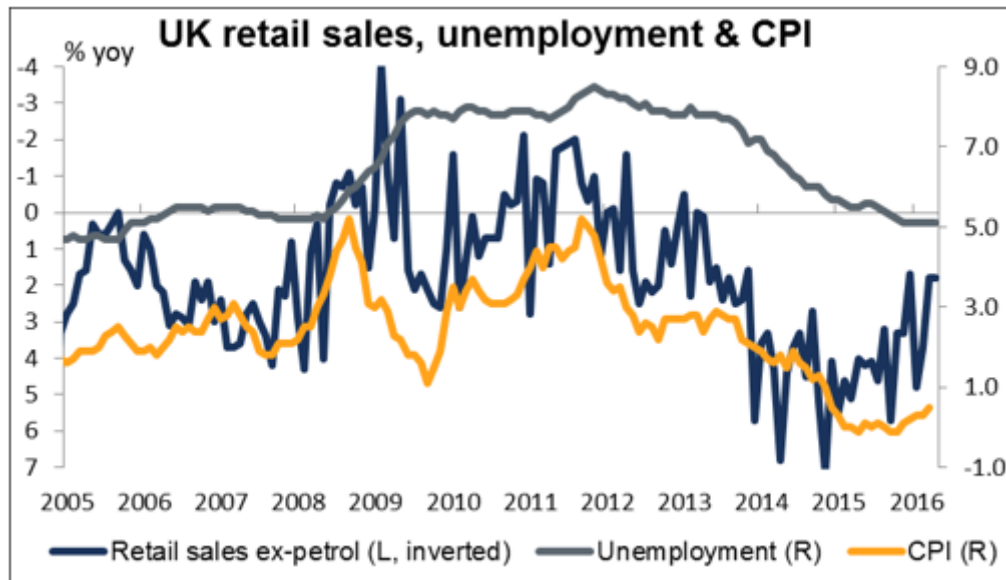
**European Central Bank** - This week we'll get more insight into the thinking of central banks as **the Reserve Bank of Australia (RBA), the Fed and the European Central Bank (ECB) release the minutes of their recent meetings.** We've seen these reports move the market before - last week for example the yen weakened after the Bank of Japan released the minutes of its latest meeting.

Upcoming economic indicators and events (excluding weekly indicators)					
Time (GMT)	Country	Indicator	Month	Expected	Previous
<b>Monday 16-May</b>					
12:30	US	Empire State manufacturing survey	May	7.0	9.56
14:00	US	NAHB Housing market index	May	59	58
20:00	US	Total net TIC flows	Mar	n.a.	\$33.5bn
20:00	US	Net long-term TIC flows	Mar	n.a.	\$72.0bn
<b>Tuesday 17-May</b>					
n.a.	NZ	Dairy auction results			
01:30	Australia	RBA May meeting minutes			
03:00	NZ	2yr inflation expectation	Q2	n.a.	1.63%
04:30	Japan	Industrial production (mom)	Mar (F)	n.a.	3.6%
08:30	UK	CPI (yoy)	Apr	0.5%	0.5%
12:30	US	Housing starts	Apr	1120k	1089k
12:30	US	CPI (mom)	Apr	0.4%	0.1%
13:15	US	Industrial production (mom)	Apr	0.3%	-0.6%
23:30	Japan	GDP (SA qoq)	1Q P	0.1%	-0.3%
<b>Wednesday 18-May</b>					
08:30	UK	ILO unemployment rate	Mar	5.1%	5.1%
09:00	EU	CPI (mom)	Apr (F)	0.0%	1.2%
18:00	US	FOMC meeting Minutes	27-Apr		
23:50	Japan	Machinery orders (mom)	Mar	-1.9%	-9.2%
<b>Thursday 19-May</b>					
01:30	Australia	Unemployment rate	Apr	5.8%	5.7%
04:30	Japan	All industry activity index	Mar	0.7%	-1.2%
08:30	UK	Retail sales ex autos & fuel (mom)	Apr	0.3%	-1.6%
11:30	EU	Minutes of the ECB Policy Council meeting			
12:30	US	Chicago Fed national activity index	Apr		
14:00	US	Leading index	Apr	0.4%	0.2%
14:30	US	NY Fed President Dudley speaks on macroeconomic trends			
<b>Friday 20-May</b>					
12:30	Canada	Retail sales (mom)	Mar	-0.6%	0.4%
12:30	Canada	CPI (yoy)	Apr	1.7%	1.3%
14:00	US	Existing home sales	Apr	5.40mn	5.33mn

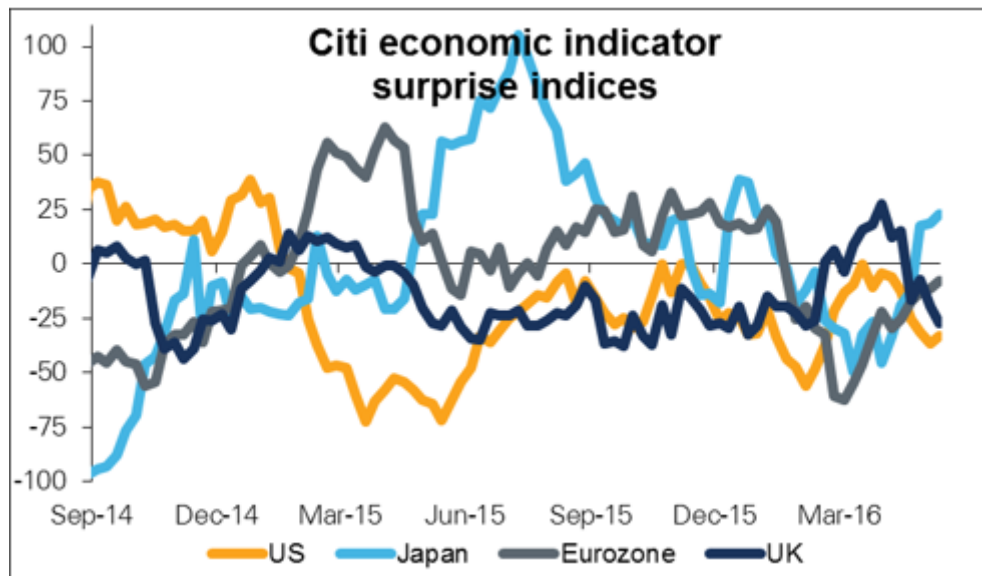
The RBA cut its rate by 25 bps at the meeting in question yet adopted

a neutral stance afterwards, causing the AUD to gain on the news. Investors will be reading the minutes closely to see just how concerned the Board is about the weak inflation. Given that the meeting was followed by a Statement on Monetary Policy, there may not be that much additional information, but you never know what may be hidden in it. The market is pricing in one more cut by the end of the year (largely by October), but could bring that forecast forward if the minutes contain signs of serious concern. The Fed and the ECB of course didn't take any actions at the meetings in question. In the case of the Fed, there wasn't a press conference afterwards either. We've been hearing fairly hawkish comments from FOMC members ever since the meeting, such as Boston Fed President Rosengren's comments last week that the market is "too pessimistic" and "the Fed should be ready to gradually normalize interest rates." The minutes may clear up some of this confusion. In addition, we'll hear from **three Fed speakers** on Tuesday (Williams, Lockhart & Kaplan) and the influential NY Fed President Dudley on Thursday. As for the data, the focus will be on the **UK** as they release **CPI, employment** and **retail sales**. **The news seems likely to be negative for the pound.** The recent acceleration in inflation is expected to stop, job growth is expected to have slowed the yoy rate of growth in retail sales is forecast to have fallen. Of course the Bank of England has emphasized that it's not putting too much weight on the data ahead of the Brexit referendum on June. Still, the news is likely just to reinforce the picture of a sluggish UK economy that we've gotten

from many other indicators, such as the disappointing PMIs and falling industrial production. **GBP-negative**



There's a lot of data coming out from the US, too. Two Fed surveys -- **Empire State manufacturing survey** for May and **Chicago Fed national activity survey** for April - will complement the **industrial production** data for April. The forecasts suggest that none of them should be particularly exciting. On the contrary, the main question is probably whether the data will be even worse than expected. The Citi US economic surprise index is once again heading lower. It hasn't been significantly above zero (indicating that the data are coming out better than expected) since January 2015. The data are **potentially negative for USD**.



Several bits of data on the **US housing market** are coming out, such as the **NAHB housing market index**, **housing starts & permits**, and **existing home sales**. In contrast to the industrial data, these housing figures are forecast to be relatively strong, indicating that the small rise in rates last December didn't derail this interest-rate sensitive sector. That could prove **USD-positive**. **Source:** [Fxprimus](http://Fxprimus.com) [Forex Broker \(Review and Forex Rebates Up to 85%\)](http://Fxprimus.com)