

Weekly Events and Forecasts - The U.S. dollar was strengthened against other major currencies, hitting three-week highs against Japanese yen. The dollar boosted after Wednesday's FOMC April meeting minutes, growing expectations of the Federal Reserve could raise rates as early as next month. Fed officials said if economic reports indicated that second quarter growth is picking up and firm employment and inflation, the June rate hike would be appropriate. The dollar gained further from the hawkish comments by officials. New York Fed President William Dudley mentioned that the U.S. economy could be strong enough to warrant a rate hike in June or July. The dollar was up almost 0.8% for the week, against major currencies. Japanese yen rebounded from slight drop after trade data showed wider surplus with a sharp drop in imports on Monday. The trade balance for April came in at ¥430 billion surplus, much above ¥270 billion expected. Imports decreased 23.2%, more than 19% drop seen and exports slightly eased by 10.1%, near 10% fall expected. Finance policymakers at the G7 meeting agreed to avoid competitive devaluation. They passed up a call by Japan for stimulating economies with fiscal measures while seeking balanced fiscal, monetary and structural reform policies to support global growth. USD/JPY fetched to 110.16 from a three-week high of 110.59 on Friday. EUR/JPY was at 123.60. The euro rose further against the U.S. dollar on Friday, recovering from seven-week lows in Thursday session as investors advanced profits in the wake of recent rally in the greenback. EUR/USD pair rose 0.19% to 1.1223 in late trade, but the euro still

ended the week down 0.84%. British pound held lower amid uncertainty over the June 23 referendum on Brexit from European Union membership. GBP/USD fell 0.66% to 1.4513, off two-week highs of 1.4663 on Thursday. Commodity linked currencies held firm as the dollar take resurgence. But the Australian dollar was weakened amid expectations of rate cuts by RBA. AUD/USD was last at 0.7229, hitting 0.7175 last week a trough last seen more than two months ago. USD/CAD was at 1.3110, down 0.04% and NZD/USD was last seen 0.6780, up 0.36%. In the week ahead, investors will pay attention to euro zone's survey data on private sector activity Monday and ZEW report from Germany following day for indicating health of euro zone's economy. Also, the U.S. revised estimate of first quarter GDP is to be closely watched. **Weekly Events and Forecasts**

Ahead of the coming week, Solforex has compiled a list of these and other significant events likely to affect the markets. Monday, May 23 Markets in Canada will be closed for the Victoria Day holiday. The euro zone is to publish survey data on private sector business activity. Tuesday, May 24 Reserve Bank of Australia Governor Glenn Stevens is to speak at an event in Sydney. The ZEW Institute is to report on German economic sentiment. The Eurogroup finance ministers are to hold meeting in Brussels. The U.S. is to release data on new home sales. Wednesday, May 25 New Zealand is to release its trade balance. The Ifo Institute is to report on German business climate. The Bank of Canada is to announce its benchmark rate and publish its rate statement. Thursday, May 26 Australia is to release

data on private capital expenditure. The U.K. is to publish revised economic growth on first quarter. The U.S. is to release data on durable goods orders, pending home sales and weekly initial jobless claims. Friday, May 27 Japan is to publish data on consumer inflation. The U.S. is to produce revised data on estimate of first quarter growth and consumer sentiment. **Source:** [SolForex Broker \(Review and Forex Rebates Up to 85%\)](#)