

Today's important market news - There is a hesitant tone to markets towards the end of the week. The two factors contributing to this are the G7 meeting taking place in Japan and a scheduled speech by FOMC Chair Yellen later today. Both have the potential to shape the outlook for currencies going forward. Overnight, the G7 were pretty downbeat on the prospects for the economy should the UK choose to leave the EU next month. That should not be surprising given the comments heard previously from the US. Still, they don't vote, so the impact on sterling was pretty minimal, but the overall tone remains positive, despite cable struggling to push above the 1.4770 3rd May high. With regards to Yellen, today's event is more a Q&A session, so not the traditional format for steering monetary policy expectations, but nevertheless markets will be sensitive given the recent indications from other **FOMC** members that June is a live meeting. Ahead of Yellen, we see further detail and revisions for US GDP data. The first quarter fell to the soft side, expanding at the weakest pace for two years. Some upward revisions are anticipated this time around. In contrast, weaker CPI data in Japan failed to have a material impact on the yen overnight, with markets doubtful of the potential for the Japanese authorities to enact further stimulus. We've seen stocks rise during the Asia session, with emerging currencies also doing well. The sense of caution on majors is likely to remain until the G7 meeting is out of the way.

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Time: GMT

12:30 Gross Domestic Product Price Index
12:30 Gross Domestic Product Annualized
12:30 Personal Consumption Expenditures Prices (QoQ)
12:30 Core Personal Consumption Expenditures (QoQ)
17:00 Baker Hughes US Oil Rig Count
17:15 Fed's Yellen Speech

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