

**Important Forex news** - In the space of a week we've moved from a strong momentum for a June interest rate increase from the FOMC to Yellen hitting the final nail into the coffin of a June increase with her speech yesterday. Significantly, she had the word 'probably' in her statement that "the federal funds rate will probably need to rise gradually over time...". The Fed has had a poor record over the past two years in trying to guide markets and that's putting it mildly. Recall that the so-called 'dot-plot' had 4 rate increases pencilled in this year; there are now only 5 meetings remaining. It also remains the case that the uncertainties that are currently prevailing make such forward guidance almost impossible but also confusing for markets. The Bank of England realised this point more than a year ago, after their dubious flirtations with forward guidance. The Fed could do a lot better by following the same path. The impact was to weaken the dollar, although most of the move happened post-payrolls, so it was not a universal weakening. USDJPY finds itself firmer, with the main weakness momentum coming against the Aussie which was propelled higher by the steady rate decision from the RBA. This was largely anticipated, but the cautiously more bullish tone in the statement caught the market a little off-guard. Sterling blipped higher during the Asian session, to back above the 1.45 level on cable, the tone remaining nervous given the fine balance of probabilities around the EU referendum.

**Today's important market news**

Time: GMT

09:00	Gross Domestic Product s.a. (YoY)
09:00	Gross Domestic Product s.a. (QoQ)
12:30	Nonfarm Productivity
12:30	Unit Labor Costs
14:00	Ivey Purchasing Managers Index s.a
14:00	Ivey Purchasing Managers Index
19:00	Consumer Credit Change