

**Forex News** - All the jokes about the UK exiting Europe twice in one week have been made, so we'll move on swiftly from that. Markets have seen some reversal from the sharp sell-off of recent days, cable having managed to crawl its way up to near the 1.33 level. Hardly anything to shout about given the extent of recent moves. Equities are also opening slightly to the upside, but this follows on what has been a brutal two sessions, especially in bank stocks, where we've seen losses not seen since the depths of the financial crisis back in 2008. The UK has lost its triple-A credit rating from S&P (as well as Fitch), seeing it downgraded two notches to AA. In essence, the UK government bond market appears not too bothered, the 10 year yield holding below the 1.0% level. Two reasons for this. Firstly, ratings agencies generally tell us what we already know, so it's more a loss of face rather than a new indicator. Secondly, there has been a sizable shift in monetary policy expectations both in the UK and beyond, which is supporting bond markets. A rate hike this year has all but been priced out of the US market, with some risk of an easing priced. In the UK, decent risk of lower rates at the next MPC meeting mid-June has been priced, with some chance that the Bank meets earlier to adjust policy. Best keep on your toes. Looking beyond the UK and Brexit, we're seeing some softness on the Swiss franc and also the yen, the latter having moved away from the 100 level on USDJPY. The yuan has also weakened against a resurgent US dollar, which has added a new layer of policy uncertainty for the PBOC, who were previously happy to see a relatively stable USDCNY rate. Overall, the

data calendar today contains nothing of significance, with markets far more focused on the pronouncements of policy-makers and in particular central bankers, with ECB's Draghi expected to speak shortly.

**Today's important market news**

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)
13:00	S&P/Case-Shiller Home Price Indices (YoY)
14:00	Consumer Confidence
23:50	Large Retailer's Sales
23:50	Retail Trade (YoY)
23:50	Retail Trade s.a (MoM)

**Source:** [Fxpro Forex Broker \(Review and Forex Rebates Up to 85%\)](https://www.fxpro.com/en/forex-broker-reviews/forex-rebates-up-to-85%/)