

[Daily Morning Report](#) - The dollar dropped against the yen and gained ground against the euro on Friday, as ongoing uncertainty following the Brexit vote and disappointing Chinese manufacturing activity data fuelled safe-haven demand.

EURUSD fell 0.29% to 1.1073.

Markets continued to recover from Britain's shock decision last week to leave the European Union. Bank of England Governor, Mark Carney, indicated on Thursday that more stimulus may be needed over the summer, sparking expectations for an upcoming rate cut.

Meanwhile, market sentiment weakened after data showed that China's Caixin manufacturing purchasing managers' index fell to 48.6 in June from 49.2 the previous month, compared to expectations for a downtick to 49.1.

At the same time, China's official manufacturing PMI came in at 50.0 last month from 50.1 in May, in line with expectations.

USDJPY declined 0.48% to trade at 102.71.

In Japan, data earlier showed that household spending declined by 1.5% in May, compared to expectations for a 0.2% slip. A separate report showed that Tokyo's consumer price index fell an annualized rate of 0.5% in June, while core CPI, which excludes fresh food, also slipped by 0.5%. In addition, the Bank of Japan said its Tankan

manufacturing index held steady at 6 in the second quarter, beating expectations for a reading of 4.

The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, was up 0.15% at 96.09.

[Source: Traders Trust \(Review and forex Rebates Up to 85%\)](#)