

[Daily Forex Analysis](#) - The price action in equities yesterday was driven by currencies and in particular, the pound. As I explained last week, the primary beneficiaries from the weaker pound are those that mine stuff and sell it in dollars. This was again the reason why the FTSE100 was slightly positive on the day as most other European bourses were down around 2% on the day. It remains a factor that the FTSE is not a strong barometer of the UK economy, especially at a time when we are seeing the currency decline. Cable briefly touched below the 1.27 level overnight, before recovering to nearer 1.29 into the European open. The fact that sterling is falling with very little news is similar to the period earlier in the year when it was doing the same. It's indicative of the fact that all else equal, the underlying dynamics remain weaker, given the near 7% current account deficit and the fact that overseas investors see a country drowning in uncertainty. Beyond the UK, the main focus today will be with the Fed meeting minutes. At the time of the meeting, the chance of a further rate increase by year end was around 50%. It now stands at less than 10%. This diminishes the significances of the minutes for the dollar, with the story having been taken over by subsequent events. The payrolls report on Friday will remain the dominant factor for the dollar, especially in light of the weakness we saw in last month's release. Note that the yen was firmer overnight, not that far from the 100 level on USDJPY, which will keep the market on edge in terms of intervention risks, probably still more verbal than actual at this point in time.

Today's important market news

Time: GMT

12:30	Trade Balance
13:45	Markit PMI Composite
13:45	Markit Services PMI
14:00	ISM Non-Manufacturing PMI
18:00	FOMC Minutes
23:30	AiG Performance of Construction Index
23:50	Foreign bond investment
23:50	Foreign investment in Japan stocks

Source: [Fxpro Forex Broker \(Review and Forex Rebates Up to 85%\)](https://www.pipsafe.com)