

Daily Markets Brief - There are a lot of 'kids' out there who have never seen a rate move from the Bank of England who may well be seeing their first one today. The surveys of institutions suggest markets are pretty split. The choice is wait for August when there will be more data on the state of the economy or base a decision on anecdotal and other evidence, especially from their network of their agents. The latter scenario would mean that the decision itself bears more weight as a measure of the state of the economy than would normally be the case. The "they know something we don't" rationale, which is far less seen in these days of greater openness and real-time information. But their network of agents around the country could well mean that for once this holds true. Because of this, we'll probably see a greater and more sustained sterling reaction to the downside should the BoE cut rates by 25bp that if they keep rates on hold. The former scenario would likely see a break back below the 1.30 level on cable. If rates are kept on hold then a move back towards the 1.3350/1.3400 level could well be seen, but such a move could struggle to be sustained, given that expectations would likely shift to August. Sterling aside, the correction on USDJPY has continued after yesterday's breather, now above the 105.00 level as we enter the European open. Once again, the issue for the yen is the extent to which the government are able to follow-through on the expectations of further fiscal stimulus. The Aussie jobs data was broadly in line with expectations, although the Aussie did find some wind in its sails to allow a push towards the 0.7650 level. Usual

claims data seen today in the US, with a swathe of data in China due overnight tonight, including GDP, retail sales and industrial production.

Today's important market news

Time: GMT

11:00	BoE Asset Purchase Facility
11:00	BoE Interest Rate Decision
11:00	BOE MPC Vote Hike
11:00	Bank of England Minutes
11:00	BOE MPC Vote Unchanged
11:00	BOE MPC Vote Cut
12:30	Initial Jobless Claims

Source: [Fxpro Forex Broker \(Review and Forex Rebates Up to 85%\)](#)