

**Forex News** - The events in Turkey late Friday and over the weekend have been the main influence on markets so far, with the Turkish lira recovering more than half of the losses seen late Friday as the dust settles from the attempted coup. Naturally, there are going to be more far reaching consequences for Turkey, both domestically and beyond, with the latter likely to be top of the agenda at the meeting of EU foreign ministers today. The other major news is the proposed deal between Softbank and ARM holdings in the UK. This is notable because it's (the relatively conservative) Japan doing the buying, but also that there is interest in UK assets after the Brexit vote, perhaps in part owing to the move in the exchange rate between the two countries over the past 12 months, sterling down nearly 30% versus the yen during this period. ARM have been a key UK success story in recent years, their chip technology present in many mobile devices. On the wider picture, the dollar index has nudged towards the top of the range that has been in place since the Brexit move, with a break above the 27 June high of 96.705 not quite yet managed on a sustained basis. The dollar remains a balance between the interest rate story (the Fed still not seen hiking this year) and the safe-haven picture, which if anything is arguing for a higher dollar at this point in time. The yen is under some pressure this morning, naturally the ARM story adding to that in the background, with USDJPY opening above the 105.00 level. The data calendar is relatively light today and markets could well be heading for what is sometimes called the 'summer lull'. In my experience, this is usually a myth, with the

recent various sovereign crisis in the Eurozone often making the summer more exciting, together with the previous debt ceiling crisis in the US.

**Today's important market news**

Time: GMT

14:00      NAHB Housing Market Index