

Daily Markets Brief - It's not at a pace you can necessarily see, but the dollar is slowly gaining ground, not so much on reasons to be bullish about the dollar, more that investors appear more bearish about other currencies. Sterling is reversing, putting more weight behind the view that the recover above the 1.30 level on cable was more a correction in a broader down-trend. The recent move in relative 2 year yields between the US and UK also suggest further downside ahead, with the 2Y spread at further cyclical lows yesterday. We've also seen the Aussie take a further leg lower overnight, with the latest RBA minutes stoking expectations of a further rate cut this year. On balance, the money markets are now pricing a cut at the August meeting, although it's only just over 50:50, so scope for volatility remains, either ahead of the meeting should expectations build further, or on the actual result. The focus will remain on the UK today, with inflation data released at 08:30 GMT. The headline rate is seen nudging higher to 0.4% (from 0.3%). The numbers are not going to reflect the post-Brexit price environment, if indeed there were any changes as a result of the result. Otherwise, we see the German ZEW survey at 09:00 GMT and US Housing Starts data at 12:30 GMT. Gold looks interesting on the charts, forming a wedge pattern on the daily that looks more liable to a breakout one way or the other today. Meanwhile, US stocks continue to defy gravity, but lacking some upside momentum so far this week.

Today's important market news

Time: GMT

08:30	Producer Price Index - Output (MoM) n.s.a
08:30	Producer Price Index - Output (YoY) n.s.a
08:30	PPI Core Output (MoM) n.s.a
08:30	Producer Price Index - Input (YoY) n.s.a
08:30	Producer Price Index - Input (MoM) n.s.a
08:30	PPI Core Output (YoY) n.s.a
08:30	Consumer Price Index (YoY)
08:30	Core Consumer Price Index (YoY)
08:30	Consumer Price Index (MoM)
09:00	ZEW Survey - Economic Sentiment
09:00	ZEW Survey - Current Situation
09:00	ZEW Survey - Economic Sentiment
12:30	Housing Starts (MoM)
12:30	Building Permits (MoM)

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