

[Forex News](#) - The U.S. dollar rallied against other major currencies, hitting four month highs amid widened expectations on rate hike before the end of year with supports from upbeat U.S. economic reports. Federal fund futures increased the possibility of the rate hike by December to 45% from 9% in beginning of July. Meanwhile, other global central banks hinted future adjustment of the interest rates. Minutes from central banks meetings showed that the Reserve Bank of Australia let the door opened for the possibility of further rate cut in near future and the European Central Bank remained current monetary policy but indicated further easing if needed. The dollar closed at 97.41 Friday, up 0.50% other major currencies. Japanese yen held weaker after the release of trade balance despite better than expected figures as investors are more eyed on monetary policy divergence ahead of Bank of Japan's policy meeting on Friday. Japan's adjusted trade balance came in at a surplus of ¥33 billion, above ¥24 billion expected. But imports and exports declined noticeably with imports falling 18.8% and exports dropping 7.4%. The overall trade balance came in at a surplus of ¥693 billion, much better than ¥495 expected. Ahead of this week, investors are looking ahead to a monetary policy announcement from the Bank of Japan on Friday, amid broadly grown expectations for further stimulus. USD/JPY traded at 106.45, up 0.30%. The euro weakened against the dollar on Friday after news of shooting incident at a shopping center in Munich where police said there were multiple deaths and casualties stoked investor jitters and spurred selling in the single

currency. On Thursday, the European Central Bank kept the interest rates unchanged at record lows, seeking to revive growth and inflation. It opened the possibility for further stimulus in near future, emphasizing uncertainty and risks on economic outlook. EUR/USD traded at 1.0976, down 0.45%. EUR/JPY fell 0.3% at 116.31. British pound also tumbled after the release of downbeat economic data adding concerns over the national economic growth following Brexit. GBP/USD traded at 1.3110, down 0.92%. The pound has declined almost 12% against the dollar after the referendum decisions came in to leave the European Union on June 24. Market participants widely expect the Bank of England is to cut interest rates and extend further stimulus in the August. In the week ahead, investors will closely watch the Wednesday's Federal Reserve policy statement for the indication on the pace of rate hike within the year. Also, monetary policy announcement from the Bank of Japan on Friday will be closely watched. Traders will be looking ahead to data on second quarter GDP from U.S., Euro zone, and U.K., for guidance on the overall global outlook in the wake of Brexit last month. **Weekly Events and Forecasts** Ahead of the coming week, Solforex has compiled a list of these and other significant events likely to affect the markets. Monday, July 25 Japan is to release trade balance. In the euro zone, Ifo institute is to report on business climate. The U.S. is to publish data on manufacturing in Dallas region. Tuesday, July 26 New Zealand is to publish its trade balance. The U.S. is to release data on new home sales, consumer confidence, PMI service sector and

manufacturing in Richmond region. Wednesday, July 27 Australia is to release data on second quarter consumer price inflation. China is to publish data on industrial profit. In the euro zone, GFK is to report on consumer sentiment. The U.K. is to release a first read on second quarter gross domestic product. The U.S. is to publish data on durable goods orders and pending home sales. Federal Reserve is to announce the benchmark interest rate and give rate statement after the FOMC meeting. Thursday, July 28 Australia is to release data on import and export prices for the second quarter. Euro zone is to publish data on consumer sentiment. Germany is to report on unemployment and release data on consumer price inflation. The U.K. is to release data on housing prices. The U.S. is to publish its weekly initial jobless claims and manufacturing data in Kansas region. Friday, July 29 Japan is to release string of data on unemployment, retail sales, new starts and consumer price inflation. Bank of Japan is to hold the monetary policy review and give rate statements. New Zealand is to publish data on business confidence. Australia is to release data on producer price inflation. Euro zone is to release data on unemployment rate, consumer price inflation followed by a gross domestic product reading for the second quarter. The U.K. is to publish data on mortgage approvals. The U.S. is to report on second quarter GDP reading and manufacturing in Chicago region.

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