

Daily Markets Brief - As we enter a new month, the backdrop to markets is one of a US economy that is slowing, whilst on the broader picture, we see a struggle for sustained inflation around the world. Of course, Japan is the poster child for this fight, with the package of measures from the BoJ on Friday doing nothing to give market fresh hope for a change. The government is set to announce details of its fiscal package tomorrow, but that's not likely to inspire renewed hope of change. In sum, both the BoJ and government look very tired and out of ideas at this point. Staying with this theme, we see the Bank of England decision on Thursday, together with the latest Inflation Report. The market appears fully priced for a 25bp easing of rates, probably with some additional policy measures thrown in for good measure as well. There is talk that retail banks may start charging those depositing, adding further complications to the policy impact. As we know, BoE governor Carney is not a fan of negative rates and would probably not be a fan of this happening when rates are not at zero. The weaker US GDP data on Friday knocked back expectations of a hike as early as September, but the market is still giving around 20% chance of this happening, so the debate is likely to continue over the coming few weeks. For today, we have final PMI data in the UK and Eurozone, followed by US ISM data at 14:00 GMT. On the charts, the Aussie continues to power ahead in the low rate and low inflation world in which we live, currently struggling to maintain the push above 0.76.

Today's important market news

Time: GMT

08:30 Markit Manufacturing PMI
13:45 Markit Manufacturing PMI
14:00 ISM Prices Paid
14:00 ISM Manufacturing PMI
14:00 Construction Spending (MoM)

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