

Forex News - The U.S. dollar bounced from its two months low against major currencies after San Francisco Fed President John Williams indicated optimistic views on near term rate hike. On Thursday afternoon, Williams signaled support for rate hike in September in his speech. He said, "In the context of a strong domestic economy with good momentum, it makes sense to get back to a pace of gradual rate increases, preferably sooner rather than later." Earlier the week, New York and Atlanta Presidents also mentioned a September rate increase may be on the table. The hawkish stances of these top Fed officials reignited hopes for a sooner rate hike and boosted the dollar. The Fed funds are pricing the probability of rate hike by September at 12% and December odds are increased to 46%. The greenback gained 0.4% on Friday to close the week at 94.48.

The British pound gained higher for the week against the greenback, amid easing concerns over post Brexit growth shock. In the U.K., the data showed that retail sales, employment report and inflation index all came better than expectations, hinting that the British economy is resilient for the post-Brexit prospects. Earlier the week, sterling almost hit 31 year low of 1.2798 against the dollar after the Brexit vote in July. The pound fell 0.7% for the day but closed 1.2% higher for the week at 1.3076. Meanwhile, EUR/USD pair slipped 0.25% and traded at 1.1323 but with 1.5% weekly gain.

Japanese yen weakened against the dollar after the hawkish comments from the Federal Reserve presidents. On Monday, the

Federal Reserve vice Chair Stanley Fischer hailed about the U.S. economy, boosted the dollar further. In the coming week, the speech by Federal Reserve Chair Janet Yellen will be in focus as well as Japanese inflation data to hint on Bank of Japan's further monetary stimulus. USD/JPY changed hands at 100.72, up 0.51%.

In the week ahead, investors will be focusing on a highly anticipated speech by Federal Reserve Chair Janet Yellen for the better clues of next U.S. rate hike path. Also, the U.S. economic data will support to hint on the health of the economy for withstanding a next rate hike in sooner period. In the Eurozone, data on business activity and U.K.'s second reading on GDP will be in focus to indicate the economy in the wake of Brexit vote.

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, August 22

The U.S. is to release data on Chicago region activity. Canada is to produce data on wholesale sales.

Tuesday, August 23

Bank of Japan Governor Haruhiko Kuroda is to speak at an event in Tokyo. China is to release July's CB leading indicator. Euro zone is to produce data on PMI manufacturing, service sector, and consumer sentiment. The U.S. is to publish data on PMI manufacturing, Richmond state manufacturing activity and new home sales.

Wednesday, August 24

New Zealand is to report on the trade balance. Australia is to produce data on construction activity. Germany is to release data on second quarter growth. The U.K. is to publish private sector data on housing loans. The U.S. is to report on existing home sales.

Thursday, August 25 In Germany, IFO institute is to report on business climate in the Euro zone. The U.S. is to report on durable goods orders, service PMI and weekly initial jobless claims. The Jackson Hole meeting is to take place with top central bankers and economists in Wyoming. Friday, August 26

Japan is to release data on consumer price inflation. The U.K. is to publish data on second quarter growth. The U.S. is to release data on second quarter GDP followed by data on personal spending and consumer sentiment. Fed Chair Janet Yellen is to speak at Jackson Hole meeting.

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