IronFX
SOLID TRADING

WEEK AHEAD

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Week ahead: March 5th -9th

RBA's, BoC's, ECB's and BoJ's interest rate decisions, as well as US and Canadian Employment Data in focus.

Next week's market movers

- RBA's, BoC's, ECB's and BoJ's interest rate decisions, despite being forecasted to remain on hold are expected to move the market.
- US employment Data at the mid and end of the week are also set to move USD
- Canadian Employment data are also to get some attention on Friday.

On Monday, no major events are expected.

On Tuesday, during the Asian day, RBA's interest rate decision is to be released. The bank is expected to remain on hold at +1.5%. AUD Overnight Index Swaps (OIS) seem to strengthen the argument for the bank to remain on hold as they currently imply a probability of 99.64%. Inflation rate seems also to strengthen the argument despite its recent slight acceleration to +1.9% yoy (year on year) from previous reading of +1.8% yoy, as it remains below the bank's target range of +2.00% to +3.00%.

Hence, market focus may shift to the accompanying statement. It may contain an upbeat economic outlook, however it would be interesting any remarks concerning household consumption which was cited as continuing source of uncertainty view and the debt levels.

The effect on AUD could be somewhat muted as the market may expect the outcome.

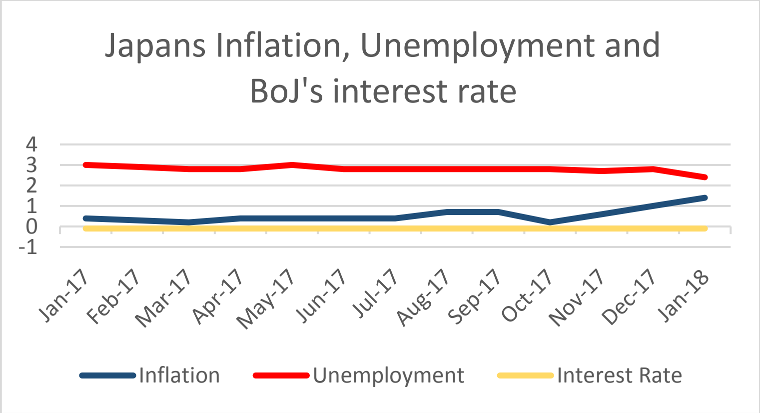
On Wednesday, in North American session, we get the ADP Employment Change for February. The indicator is forecasted to drop to 195k compared to previous reading of 235k.

The indicator is viewed by many as a forerunner for the Non-Farm Payroll (NFP) figure which is to be released on Friday. Should the actual figure meet the forecast, it could be the case that it will be perceived as downward trend for new jobs, also for NFP and could weaken the USD.

Later on, BoC's interest rate decision is to be released. The bank is expected to remain on hold at +1.25%. CAD OIS seem to strengthen the argument for the bank to remain on hold as they currently imply a probability of 90.57% for such a scenario. Also the fact that the headline inflation rate has slowed down recently to +1.7%yoy compared to previous reading of +1.9%yoy and the BoC CPI Core has also slowed down to +1.2%yoy from previous reading of +1.3%yoy, strengthens the argument for the bank to remain on hold. Also, please note that the bank had hiked interest rates in its January meeting with a rather dovish accompanying statement, so another rate hike this time could be premature. Hence, market focus will probably shift to the accompanying statement. It would be interesting to see any reaction of the bank concerning the latest slowdown of the inflation rates as well as any comments regarding the ongoing NAFTA agreement.The effect on CAD could be muted as the market may already anticipate the result.

On Thursday, in the European day, ECB's interest decision will be released. The bank is expected to remain on hold at 0.0% yoy. EUR OIS seem to strengthen the argument for the bank to remain on hold as they currently imply a probability of 93.20% for such a scenario. The scenario of the bank raising its interest rates was anyway remote as repeatedly ECB's officials stated. The following press conference will become the epicenter of the decision deliverables. The market will be watching out for any possible hints that would indicate not only the banks intentions for its refinancing rate but also its quantitative easing program.

High volatility could affect the EUR through the announcement until the end of the press conference.



On Friday, during the Asian morning, BoJ's interest rate decision will be released. The bank is forecasted to remain on hold at -0.1% yoy. JPY OIS seem to strengthen the argument for the bank to remain on hold as they currently imply a probability of 99.53% for such a scenario. As in the ECB case, the scenario for a rate hike by the BoJ, was remote as bank officials repeatedly stated that in past. It should be noted though that the inflation rate has accelerated to +1.4% yoy in its latest release, compared to previous reading of +1.0% yoy. The accompanying statement will be in focus once again. It is clear that the current inflation rate does not allow any rate hikes however the question remains what the banks outlook will be after recent statements by various officials that no wage rise is in their plans for 2018 as well as the recent decrease of the unemployment rate. Again, the epicenter will be on a possible slowdown of the banks easing program and if they are to keep the same outlook for inflation to rise to 2% by 2019.

Later on, in the North American session, **the US employment report** is due out. The employment report consists mainly from three indicators, namely the Non-Farm Payrolls figure, the unemployment rate and the average earnings growth rate, all for February. The Non-Farms payroll figure is forecasted to decrease to 190k compared to previous reading of 200k, the unemployment rate is forecasted to remain unchanged at 4.1% and the average earnings growth rate is also forecasted to remain unchanged at +0.3% month on month.Should the actual results meet the forecasts we could see the USD weakening, however please note that the difference is somewhat small and the market may also be prepared, hence the reaction may be somewhat muted.

At the same time, the Canadian employment data for February are due out. The unemployment rate is forecasted to tick down to 5.8% compared to previous reading of 5.9%, while the employment change figure is forecasted to increase to +10K compared to previous figure of -88k.

Should the forecasts be realized both indicators are set to strengthen the CAD.

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