

Thursday 1st May

The Fed cut rates last night by 25bps to 2% pushing dollar lower against sterling and euro. Only 2 votes dissented, both for a hold, however these were known hawks who had voted the same way at last month's meeting.

The accompanying statement indicated that a pause in the cycle may be forthcoming however the door was left open for further cuts in the future with attention now focused on tomorrow's Change in Non-Farm Payrolls figure due at 13.30.

Euro also weakened yesterday against sterling as data starts to turn against the single currency. Headline HICP, the EU's main inflationary indicator, fell to 3.3% against a consensus of 3.4% and the EC economic sentiment indicator fell to the lowest level since 2005. There is no data from Europe today owing to the May Day holiday.

Today is a day of primarily US data and dollar watchers would be minded to look out for the ISM manufacturing figure due at 15.00. Downside risks to sterling exist today in the form of the PMI manufacturing figure which is forecasted to fall.

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Today's Data

UK: 09.30 PMI Manufacturing

Expected: 50.8

Previous: 51.3

US: 13.30 Initial Jobless Claims

Expected: 363k

Previous: 342k

US: 13.30 PCE Core MoM

Expected: 0.1%

Previous: 0.1%

US: 15.00 ISM Manufacturing

Expected: 48.0

Previous: 48.6

Indicative Rates		
	Sell	Buy
GBPEUR	1.2718	1.2744
GBPUSD	1.9866	1.9891
EURUSD	1.5606	1.5627
GBPJPY	205.03	207.13
GBPAUD	2.1119	2.1166
GBPNZD	2.5409	2.5485
GBPCAD	2.0047	2.0099
GBPZAR	15.03	15.10
USDZAR	7.56	7.59
GBPPLN	4.3966	4.4066

Rates are dependent on amount transacted
Please call 0207 801 9080 for a live rate quote

Email: (jeremy.cook@worldfirst.com) Please feel free to contact me at anytime regarding these briefings, if you have any questions or thoughts on them, or if you are interested in a particular event in the calendar.

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