

# DAILY FOREX & COMMODITIES FORECAST

02-01-2012



FOREX FORECAST MAJOR PAIRS

## AUD/USD

CURRENT PRICE	EXPECTED HIGH	EXPECTED LOW	PIVOT POINT
1.0390	1.0407 , 1.0433 , 1.0462	1.0366 , 1.0330 , 1.0309	1.0387

AUD/USD	SMA 5	SMA 10	SMA 15
<b>SIMPLE MOVING AVERAGES</b>	1.0380	1.0403	1.0453
<b>DIFFERENCE FROM PRICE (PIPS)</b>	10	-13	-63
<b>DAYS SINCE PRICE TESTED SMA</b>	0	7	6
<b>GAP BETWEEN SMA 5, 10 &amp; 15</b>	74 Pips		

RELATIVE STRENGTH INDEX (RSI)	43	bearish
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BOLLINGER BAND	BOLLINGER BAND (UPPER)	BOLLINGER BAND (MIDDLE)	BOLLINGER BAND (LOWER)
<b>Lower to Middle Band</b>	1.0599	1.0462	1.0325

LUTFI MAGNET POINTS	WEEKLY M	MONTHLY M	QUARTERLY M	HALF YEARLY M	YEARLY M
	1.0375	1.0463	1.0366	1.0361	1.0217
<b>SENTIMENT</b>	Bullish	Bearish	Bullish	Bullish	Bullish

### TECHNICAL AND FUNDAMENTAL ANALYSIS

#### Daily Technical Analysis:

AUD/USD has tested SMA5 on Monday. Market SMAs are expanding in bearish direction, whereas the pair is moving below all three SMAs.

**RSI** is showing bearish strength with 43% reading. RSI is moving in straight direction below Mid-level (50%).

Upper and Lower **Bollinger Bands** are showing expansion, while middle band is turning downward direction with expanded bands, and the pair is moving near lower band. It shows bearish volatility in pair, With **Lutfi Magnet Theory** market is 58% Bearish, while magnet theory with adjustments is showing market is 54% Bearish sentiment. Lutfi Magnet Theory and adjustments are showing decreasing bearish sentiment.

From Trend line Analysis, AUD/USD has broken the uptrend channel at 1.0464. The pair has also moved below minor support (now resistance) at 1.0400, and now it might target second support at 1.0330.

From above Technical Analysis initial bias is Neutral. On higher side, sustainable move above Monday's high at **1.0407**, may consolidate downtrend and test resistance1 at **1.0433**. Break there might initiate bullish biasness to high at middle band at **1.0462**. However on downside move below quarterly magnet at **1.0366**, will increase bearish biasness to test Support1 at **1.0330** and below this level will extend downtrend to **1.0309** support level.

**Daily Fundamentals:**

The Australian and New Zealand dollars were higher against their U.S. counterpart in subdued trade on Monday, after upbeat Chinese manufacturing data, although concerns over U.S. fiscal policy continued to weigh.

A report from HSBC released earlier confirmed that manufacturing activity in China expanded at the fastest pace since May 2011 in December. The final version of China's HSBC Purchasing Managers Index rose to 51.5 in December from a final reading of 50.5 in November.

China is Australia's biggest export partner and New Zealand's second biggest.

Meanwhile, market players remained focused on developments surrounding the fiscal cliff in the U.S., approximately USD600 billion in automatic tax hikes and spending cuts due to come into effect on January 1 unless Democrats and Republicans agree how to cut the deficit.

U.S. President Barack Obama met with congressional leaders at the White House Friday afternoon, but both sides failed to reach an agreement ahead of the looming year-end deadline.

Senate Majority Leader Harry Reid said the Senate would resume sitting on Monday to continue discussions, but there were still significant differences between the two sides.

Without a deal, the U.S. could fall back into recession and drag much of the world down with it.

Elsewhere, the Aussie and the kiwi were both higher against the euro with EUR/AUD falling 0.33% to hit 1.2699, and EUR/NZD dropping 0.59% to hit 1.6030.

Trading volumes were expected to remain thin as many investors already closed books to lock in profit before the end of the year, reducing liquidity in the market and increasing the volatility.

**Here is schedule for today's important News:**

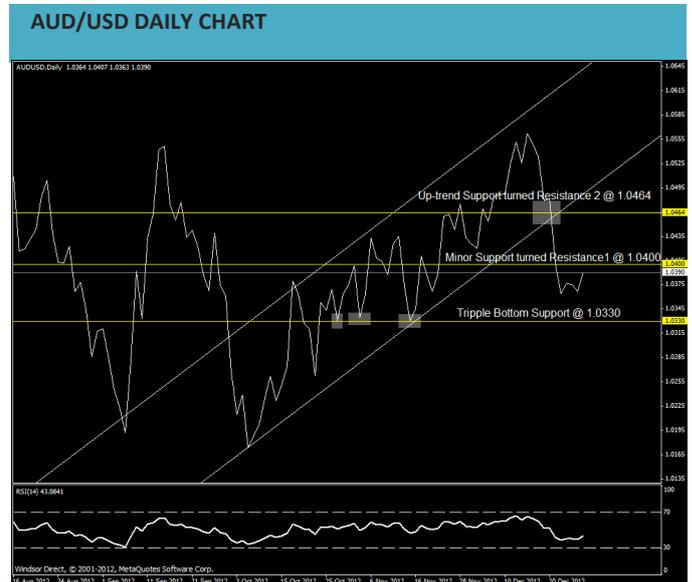
**AIG Manufacturing Index: 03:30am.** The Manufacturing Index has been mired in the mid-45 range since April, indicating ongoing contraction in the Australian manufacturing sector. The markets will be hoping for some improvement in the upcoming release.

**Commodity Prices: at 10:30.** Commodity Prices continue to slump, but there was a silver lining last month, as the indicator reversed a long downward trend, and posted a smaller decline than the November reading.

**US ISM Manufacturing PMI: at 08:00pm.** The U.S. Manufacturing PMI index declined unexpectedly to 49.5% in November flipping to contraction after a 51.7% reading in October. Economists expected a moderate decline to 51.5. Employment, backlog of orders, exports and imports contracted while production increased. A rise to 50.2 is expected now.

**AUD/USD on Monday:**

AUD/USD opened on Monday at 1.0364, and attempted high of the day in early trading hours at 1.0407. later on Monday it retreated back to low again but sustained the level and got bullish by US ending session and closed at 1.0390.



# EUR/USD

CURRENT PRICE	EXPECTED HIGH	EXPECTED LOW	PIVOT POINT
1.3199	1.3233, 1.3282 , 1.3307	1.3169 , 1.3139 , 1.3092	1.3201

EUR/USD	SMA 5	SMA 10	SMA 15
<b>SIMPLE MOVING AVERAGES</b>	1.3215	1.3212	1.3186
<b>DIFFERENCE FROM PRICE (PIPS)</b>	-16	-13	13
<b>DAYS SINCE PRICE TESTED SMA</b>	0	0	0
<b>GAP BETWEEN SMA 5, 10 &amp; 15</b>	28 Pips		

RELATIVE STRENGTH INDEX (RSI)	63	bullish
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BOLLINGER BAND	BOLLINGER BAND (UPPER)	BOLLINGER BAND (MIDDLE)	BOLLINGER BAND (LOWER)
<b>Upper to Middle Band</b>	1.3341	1.3132	1.2923

LUTFI MAGNET POINTS	WEEKLY M	MONTHLY M	QUARTERLY M	HALF YEARLY M	YEARLY M
	1.3224	1.3092	1.2984	1.2674	1.2764
<b>SENTIMENT</b>	Bearish	Bullish	Bullish	Bullish	Bullish

## TECHNICAL AND FUNDAMENTAL ANALYSIS

### Daily Technical Analysis:

EUR/USD has tested SMA5, SMA10 and SMA15 on Monday. SMAs are now contracting in bullish sequence, with Euro is moving between SMA10 and SMA15.

**RSI** is showing decreasing bullish strength with 63% reading. RSI is moving in a slight downward direction below resistance-Level (70%).

**Upper, Middle and Lower** bands are moving upward direction. The pair is moving between upper and Middle band. It signals upward volatility in euro is decreasing.

With **Lutfi Magnet** theory market is 60% Bearish and with adjustments 55 bearish sentiments. Lutfi Magnet Theory and adjustments are showing slight bearish sentiment.

From **Trend line Analysis**, Euro has tested long term downtrend resistance line at 1.3272, and has support level at triple top support level at 1.3100. The pair is moving around this range for last 2 weeks. Break on either way will give the pair a direction.

On the basis of Technical Analysis initial is Neutral. On lower side, break below Support1 at **1.3169** will initiate bearish biasness and attempt support2 at **1.3139**. Move below this level will target monthly magnet at **1.3092**. While on upward, break above Monday's high at **1.3233** may bring some consolidation and bring bullish biasness to last week high at **1.3282** and above there is uptrend resistance at **1.3307**.

### Daily Fundamentals:

The U.S. dollar rose against the euro on Monday as investors spent the last day of the year parked in the safe-haven greenback monitoring progress to avoid the year-end fiscal cliff, a USD600 billion combination of tax hikes and spending cuts due to take effect Jan. 1.

Failure in the U.S. Congress to agree on a fiscal framework could push the U.S. economy into a recession next year.

Investors remained camped out in safe-haven dollar positions in afternoon trading on Monday to see if lawmakers were coming closer to striking a deal to avoid the fiscal cliff.

President Barack Obama on Monday said an agreement was in sight though stressed nothing had been finalized yet, which kept investors firmly parked in the dollar, a safe-haven asset popular during times of uncertainty.

Even if New Year's Day comes and goes without a deal, lawmakers can still work afterwards to reach an agreement, as changes to tax and spending policies will take a while to materialize, though uncertainty boosted the U.S. dollar's appeal in currency markets on Monday.

### Here is schedule for today's important News:

**German Prelim CPI: Tentative.** German preliminary CPI declined in November, from a month ago, following a flat reading in October. The reading was in line with predictions. From a year earlier, CPI growth eased as

expected to 1.9% from 2.0%. A rise of 0.7% is expected now.

**Manufacturing PMIs: at 1:15pm to 2:00pm.** A sign of hope for the euro-zone as manufacturing PMI rose to 46.2 in November from 45.4 in October. Although it is still below the 50 point line but the decline in factory activity, new orders and output has eased due to a renewed revival in markets such as the U.S. and Asia. Meanwhile Spanish manufacturing PMI also increased, rising by 2 points to 45.3 in November but Italy disappointed with a decline to 45.1 from 45.5 in October contrary to predictions for a 45.9 reading. Factory production in Italy slowed further for the fourteenth straight month in November, with the pace of decline accelerating to the fastest since August. Spanish manufacturing PMI expected 44.9, Italian manufacturing PMI 45.4, Final Manufacturing PMI, 46.3.

**US ISM Manufacturing PMI: at 08:00pm.** The U.S. Manufacturing PMI index declined unexpectedly to 49.5% in November flipping to contraction after a 51.7% reading in October. Economists expected a moderate decline to 51.5. Employment, backlog of orders, exports and imports contracted while production increased. A rise to 50.2 is expected now.

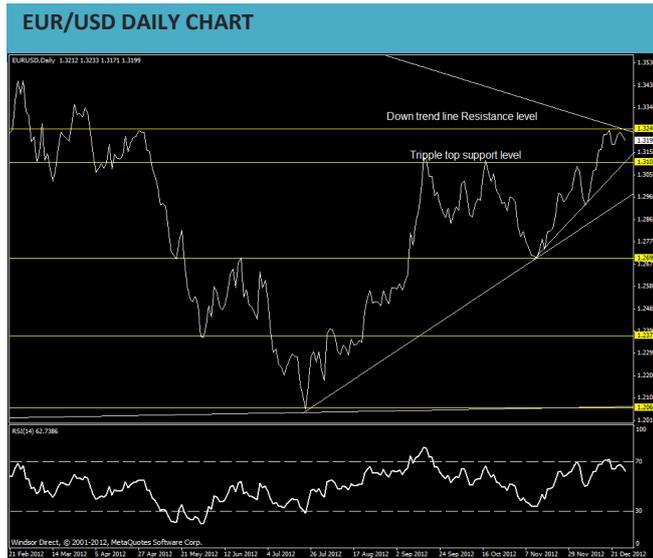
**EUR/USD on Monday:**

On Monday, EUR/USD held slightly steady. Euro started last working day of the year with a volatile and slightly bearish Monday at 1.3212 to low at 1.3171. The pair attempted high of 1.3233 on fiscal cliff uncertainty news and Euro ended the year at 1.3199.

MARKET SENTIMENT

50%

Bearish/Bullish



# GBP/USD

CURRENT PRICE	EXPECTED HIGH	EXPECTED LOW	PIVOT POINT
1.6247	1.6272 , 1.6307 , 1.6344	1.6217 , 1.6175 , 1.6150	1.6217

GBP/USD	SMA 5	SMA 10	SMA 15
<b>SIMPLE MOVING AVERAGES</b>	1.6178	1.6189	1.6184
<b>DIFFERENCE FROM PRICE (PIPS)</b>	69	58	63
<b>DAYS SINCE PRICE TESTED SMA</b>	0	0	0
<b>GAP BETWEEN SMA 5, 10 &amp; 15</b>	11	Pips	

<b>RELATIVE STRENGTH INDEX (RSI)</b>	62	<b>bullish</b>
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BOLLINGER BAND	BOLLINGER BAND (UPPER)	BOLLINGER BAND (MIDDLE)	BOLLINGER BAND (LOWER)
<b>Upper Band</b>	1.6297	1.6154	1.6012

LUTFI MAGNET POINTS	WEEKLY M	MONTHLY M	QUARTERLY M	HALF YEARLY M	YEARLY M
	1.6169	1.6150	1.6066	1.5850	1.5770
<b>SENTIMENT</b>	Bullish	Bullish	Bullish	Bullish	Bullish

## TECHNICAL AND FUNDAMENTAL ANALYSIS

### Daily Technical Analysis:

GBP/USD has tested SMA5, SMA10 and SMA15 on Monday. Market SMAs are contracting and moving in mix sequence, whereas GBP is moving above all three SMAs. RSI is showing increasing bullish strength with 62% reading. RSI is moving in upward direction above mid-level (50%).

**Upper Band** is moving straight, while **Middle and Lower Bands** are moving upward direction with squeezing bands. Whereas the pair is moving near upper band, it shows bullish volatility in Pair.

With **Lutfi Magnet Theory** market is 65% Bullish, while with adjustments 71% Bullish sentiments. Lutfi magnet theory and adjustments are showing Bullish sentiments.

From trend line analysis, GBP is moving well inside uptrend Channel, showing sustainability for bullish trend. Now the pair has resistance line at 1.6308 and support line at 1.6175.

From above Technical Analysis initial bias is slightly bullish. On upside break above Monday's high at **1.6272** may initiate bullish trend continuation and attempt last month high at **1.6307** and Break above this level may extend uptrend to **1.6344**. However on lower side, downward move below daily pivot point at **1.6217** will consolidate uptrend and may attempt support1 at **1.6175** and break there will neutralize bullish trend monthly magnet at **1.6150**.

### Daily Fundamentals:

The pound rose against the dollar on Monday as investors crept out of the safety of the greenback on hopes Congress will strike a deal to avoid the fiscal cliff, a combination of sweeping tax hikes and automatic spending cuts due to take effect at the end of 2012.

Failure to reach a deal could contract the economy by 0.5% next year, according to Congressional Budget Office estimates, which would constitute a recession.

President Barack Obama on Monday said an agreement was in sight though stressed nothing had been finalized yet, which kept investors parked in the safe-haven dollar earlier, though sentiments began to quickly rebuild that some sort of a deal may be struck by the end of the day, which enticed a few investors out of the safety of the greenback.

Meanwhile in the U.K., the Bank of England reported earlier that U.K. Housing Equity Withdrawal fell to a seasonally adjusted GBP8.0 billion compared to GBP9.4 billion in the preceding quarter.

Analysts had expected U.K. Housing Equity Withdrawal to fall GBP9.1 billion last month.

Still, U.S. fiscal uncertainty served as Cable's chief weather vane on Monday.

**Here is schedule for today's important News:**

**Manufacturing PMI: at 02:30pm.** Manufacturing PMI has been below the 50.0 threshold since May, indicating ongoing contraction in the UK manufacturing sector. The markets are not anticipating any change in the January release.

**US ISM Manufacturing PMI: at 08:00pm.** The U.S. Manufacturing PMI index declined unexpectedly to 49.5% in November flipping to contraction after a 51.7% reading in October. Economists expected a moderate decline to 51.5. Employment, backlog of orders, exports

and imports contracted while production increased. A rise to 50.2 is expected now.

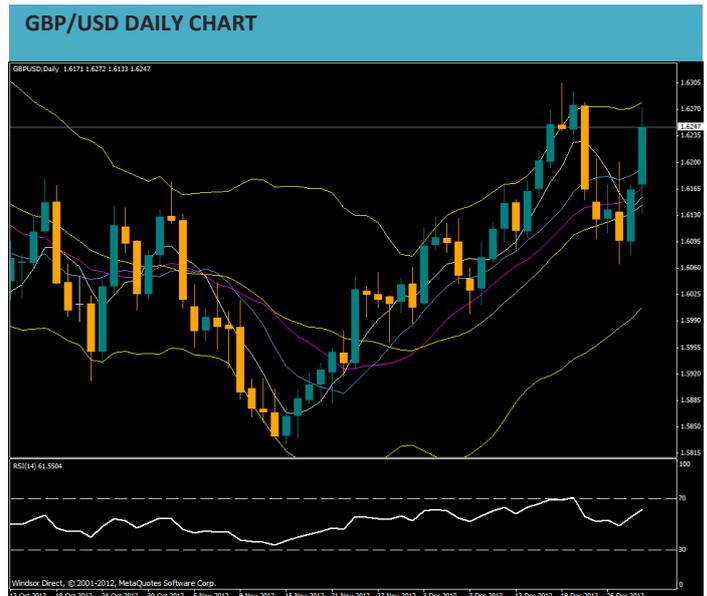
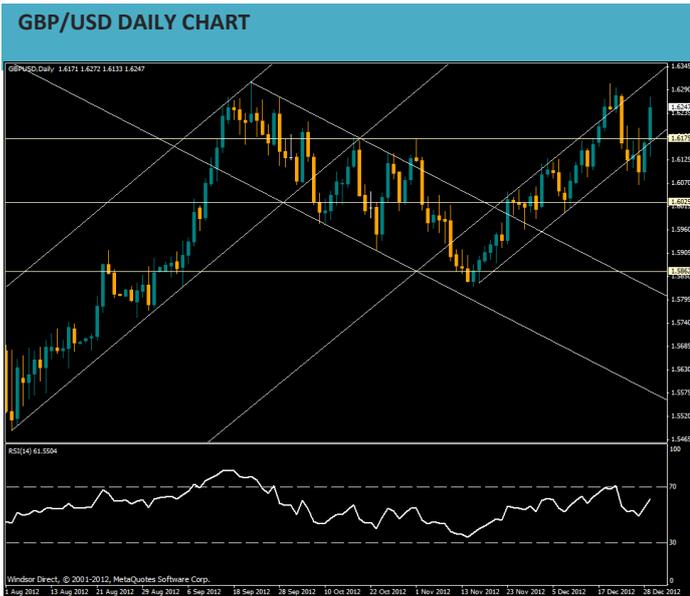
**GBP/USD on Monday:**

GBP/USD opened on Monday at 1.6171. After attempting low at 1.6133, the pair got bullish on Fiscal cliff uncertainty news to high at 1.6272. GBP/USD closed the day at 1.6247.

MARKET SENTIMENT

55%

Bullish



# USD/JPY

CURRENT PRICE	EXPECTED HIGH	EXPECTED LOW	PIVOT POINT
86.60	86.89 , 87.05	86.30 , 85.94 , 85.42	86.30

JPY/USD	SMA 5	SMA 10	SMA 15
<b>SIMPLE MOVING AVERAGES</b>	86.18	85.42	84.80
<b>DIFFERENCE FROM PRICE (PIPS)</b>	42	118	180
<b>DAYS SINCE PRICE TESTED SMA</b>	0	14	14
<b>GAP BETWEEN SMA 5, 10 &amp; 15</b>	139 Pips		

RELATIVE STRENGTH INDEX (RSI)	85	bullish
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BOLLINGER BAND	BOLLINGER BAND (UPPER)	BOLLINGER BAND (MIDDLE)	BOLLINGER BAND (LOWER)
<b>Upper Band</b>	87.05	84.17	81.33

LUTFI MAGNET POINTS	WEEKLY M	MONTHLY M	QUARTERLY M	HALF YEARLY M	YEARLY M
	85.79	84.19	82.31	81.90	81.34
<b>SENTIMENT</b>	Bullish	Bullish	Bullish	Bullish	Bullish

## TECHNICAL AND FUNDAMENTAL ANALYSIS

### Daily Technical Analysis:

USD/JPY has tested SMA5 on Monday, while there is 14 days lagging in SMA10 and SMA15. JPY/USD SMAs are expanding in bullish sequence, while the pair is moving above all three SMAs.

RSI is showing bullish strength with 85% reading. RSI is moving in upward direction above resistance-level (70%). At this RSI the pair may take correction.

**Upper and Lower Bands** are expanding, while **Middle band** is moving in upward direction. JPY is moving near Upper band, it shows uptrend volatility in pair.

With **Lutfi Magnet Theory** market is 88% bullish and adjustments are 82% bullish. Lutfi Magnet Theory and adjustments are showing over bullish sentiments where it might take downward correction.

Further from Trend line analysis; the pair is moving in uptrend and has support at 84.60 break there will bring medium term correction of uptrend extension to 82.82, While USD/JPY has minor resistance at Friday's high 86.62. Trend line analysis also suggests this uptrend is very steep and could bring a deeper correction.

Concluding all Technical Analysis, initial bias is bullish with a correction. On down side, sustainable move daily pivot point at **86.30** may consolidate upward and tested support1 at **85.94** and a corrective move could fall down to test SMA10 to **85.42**. While upward move above resistance1 at **86.89** may extend uptrend to upper Bollinger Band at **87.05**.

### Daily Fundamentals:

The U.S. dollar was higher against the yen in holiday-thinned trade on Monday, as concerns over U.S. budget negotiations boosted safe haven demand, while expectations for fresh easing measures in Japan continued to weigh on the yen.

Market players remained focused on developments surrounding the fiscal cliff in the U.S., approximately USD600 billion in automatic tax hikes and spending cuts due to come into effect on January 1 unless Democrats and Republicans agree how to cut the deficit.

U.S. President Barack Obama met with congressional leaders at the White House Friday afternoon, but both sides failed to reach an agreement ahead of the looming year-end deadline.

Senate Majority Leader Harry Reid said the Senate would resume sitting on Monday to continue discussions, but there were still significant differences between the two sides.

The yen has come under heavy selling pressure in recent weeks on expectations that newly elected Japanese Prime Minister Shinzo Abe will push for more monetary easing by the Bank of Japan.

Abe has recently called for unlimited easing in order to weaken the local currency and spur growth in the recession-hit economy.

Trading volumes were expected to remain thin as many investors already closed books to lock in profit before

the end of the year, reducing liquidity in the market and increasing the volatility.

**Here is schedule for today's important News:**

**Bank Holiday: Monday-Thursday** Japanese banks will be closed in observance of the 4-day Bank Holiday.

**US ISM Manufacturing PMI: at 08:00pm.** The U.S. Manufacturing PMI index declined unexpectedly to 49.5% in November flipping to contraction after a 51.7% reading in October. Economists expected a moderate decline to 51.5. Employment, backlog of orders, exports and imports contracted while production increased. A rise to 50.2 is expected now.

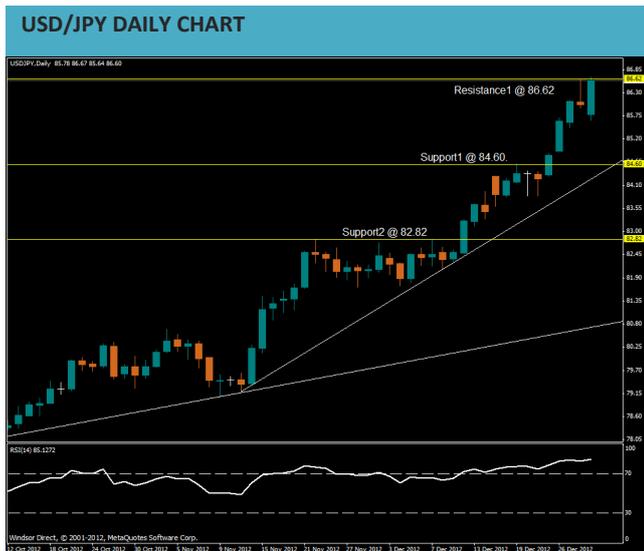
**USD/JPY on Monday:**

On Monday USD/JPY opened at 85.78, and after all attempting slight low at 85.64, the pair got bullish momentum and sustained upwards and retested Friday's high at 86.67. Yen closed on Monday at 86.60.

MARKET SENTIMENT

66%

Bullish



# GOLD

CURRENT PRICE	EXPECTED HIGH	EXPECTED LOW	PIVOT POINT
1676.91	1681.39 , 1686.28 , 1692.86	1670.82 , 1666.13 , 1.661.94	1670.82

GOLD	SMA 5	SMA 10	SMA 15
SIMPLE MOVING AVERAGES	1666.13	1661.94	1673.43
DIFFERENCE FROM PRICE (UD \$)	10.78	14.97	3.48
DAYS SINCE PRICE TESTED SMA	0	0	0
GAP BETWEEN SMA 5, 10 & 15	11.49	USD	

RELATIVE STRENGTH INDEX (RSI)	45	bearish
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BOLLINGER BAND	BOLLINGER BAND (UPPER)	BOLLINGER BAND (MIDDLE)	BOLLINGER BAND (LOWER)
Middle Band	1723.83	1681.39	1638.95

LUTFI MAGNET POINTS	WEEKLY M	MONTHLY M	QUARTERLY M	HALF YEARLY M	YEARLY M
	1663.30	1679.30	1715.64	1675.12	1661.33
SENTIMENT	Bullish	Bearish	Bearish	Bullish	Bullish

## TECHNICAL NAD FUNDAMENTAL ANALYSIS

### Daily Technical analysis:

GOLD has tested SMA5, SMA10 and SMA15 on Monday. Gold market SMAs are contracting in bearish sequence. The precious metal is moving below all three SMAs.

**RSI** is showing decreasing bearish strength with 45% reading and moving in upward direction above support-level (30%).

**Upper, Middle and Lower bands** are moving in downward direction with contracting bands. It shows bearish volatility is decreasing in Gold market.

With **Lutfi Magnet Theory** market is 57% bullish and with adjustments 55% Bullish. Lutfi Magnet Theory and Adjustments are showing slightly bullish sentiments.

From Trend line analysis, Gold has moved downward below support turned resistance level at 1676.85 and tested uptrend line support at 1647.52. Now it might take upward reversal to retest 1676.85 to bring another downtrend below uptrend support line and attempt 2<sup>nd</sup> support at 1626.35.

Concluding all Technical Analysis, initial bias is neutral. On higher side, upward move above Middle Bollinger band at **1681.39** may test resistance1 at **1686.28**. Break there will initiate some bullish biasness and attempt Resistance2 at **1692.86**. While on lower side, sustainable move below daily pivot point at **1670.82** may consolidate in neutral trend and test SMA5 at **1666.13**. Break there bring some bearish biasness SMA10 at **1661.94**.

### Daily Fundamentals:

Gold futures advanced during early U.S. morning trade on Monday, as markets continued to focus on U.S. "fiscal cliff" talks with just hours left before the year-end deadline hits.

Prices rose by as much as 0.8% earlier in the session to hit a daily high of USD1,669.25 a troy ounce.

Trading was expected to remain subdued, with year-end positioning driving flows and as holidays in many countries limit activity.

Comex floor trading will remain closed on Tuesday for New Year's Day.

Market players remained focused on developments surrounding the fiscal cliff in the U.S., approximately USD600 billion in automatic tax hikes and spending cuts due to come into effect on January 1.

U.S. President Barack Obama met with congressional leaders at the White House Friday afternoon, but both sides failed to reach an agreement ahead of the looming year-end deadline.

Senate Majority Leader Harry Reid said the Senate would resume sitting on Monday to continue discussions, but there were still significant differences between the two sides.

Without a deal, the U.S. could fall back into recession and drag much of the world down with it.

For the year, New York-traded gold futures rose nearly 5.5%, its twelfth consecutive year of gains, thanks to a rally in the first half of the year driven by ultra-low interest rates and aggressive monetary stimulus from global central banks.

Gold futures rallied to an 11-month high of USD1,798.05 a troy ounce on October 5, boosted by ongoing expectations policymakers around the world will launch more stimulus to support the weak global economy.

**GOLD on Monday:**

Gold opened last working day of the year at 1655.51. As the Support at 1655 held firm, Gold attempted high at 1680.19. By the end of the day it sustained upside range and closed at 1676.91.

MARKET SENTIMENT

55%

Bullish



FOR MORE INFORMATION

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**IMPORTANT ECONOMIC DATA FOR THIS WEEK****Monday, December 31**

**China** is to publish industry data on **manufacturing activity**, a leading indicator of economic health.

Meanwhile, markets in **Japan, Germany, Australia** and **New Zealand** will remain closed for the **New Year's holiday**.

**Tuesday, January 1**

**China** is to release official data on **manufacturing activity**. The state-sponsored report tends to have less impact when it's released after the HSBC PMI because the reports are tightly correlated.

Markets in the **U.S., U.K., Europe, Canada, Japan, China, Australia** and **New Zealand** will remain closed in observance of **New Year's Day**.

**Wednesday, January 2**

Markets in **Japan** and **China** will remain closed for a **bank holiday**.

In the euro zone, **Spain** and **Italy** are to release official data on **manufacturing activity**, a leading indicator of economic health. In addition, **Germany** is to produce preliminary data on **consumer price inflation**.

Meanwhile, the **U.K.** is also to release data on **manufacturing activity**, a leading indicator of economic health.

Later in the day, **US the Institute of Supply Management** is to produce a report on **manufacturing growth** in the U.S.

**Thursday, January 3**

Markets in **Japan** and **China** will remain closed for a **bank holiday**.

Meanwhile, official data is to be produced on **German unemployment change**. Separately, **Spain** is to publish report on **unemployment change**.

Elsewhere in Europe, **Switzerland** is to publish its **KOF economic barometer**, designed to predict the future direction of the economy, as well as a report on **manufacturing activity**.

**The U.K.** is to produce data on **construction sector activity**, a leading indicator of economic health. The country is also to release industry data on **house prices**.

Later Thursday, **the U.S.** is to release a report on **ADP**

**nonfarm payrolls**, as well as its weekly government report on **initial jobless claims**.

In addition, the **US Federal Reserve** is to publish the minutes of its most **recent policy-setting meeting**.

**Friday, January 4**

**The euro zone** is to publish preliminary data on **consumer price inflation**, which accounts for the majority of overall inflation, as well as data on **service sector activity**.

In addition, **Germany** is to produce government data on **retail sales**, a leading indicator of economic health, while **Italy** and **Spain** will also release data on **service sector growth**.

Meanwhile, **the U.K.** is to publish data on **service sector activity**, a leading indicator of economic health, as well as a report on **net lending to individuals**.

Later in the day, **Canada** is to release official data on **employment change** and the **unemployment rate**, leading indicators of economic health.

**The U.S.** is to round up the week with official data on **nonfarm payrolls**, the foremost gauge of job creation, as well as data on the overall **unemployment rate**. The country is also to release official data on **factory orders, crude oil stockpiles** and **natural gas inventories**.

In addition, the **ISM** is to produce a report on **service sector activity**.