Good Morning,

In the latest Brexit developments, yesterday European leaders granted Prime Minister Theresa May an additional two weeks to attempt to pass her Brexit deal through Parliament. If May’s twice-defeated Brexit deal still fails to pass by April 12th, the Prime Minister will have the option of deciding whether to leave the EU without an agreement or request a longer extension. Market reaction to the news was limited, as there is still a high level of uncertainty surrounding the outcome, and there is little indication that Parliament is any closer to agreeing to May’s deal. Meanwhile, the pound continues to whipsaw back and forth amidst the drama. The currency has proved to be quite volatile over the past couple of weeks, currently trading a quarter percent stronger against the USD this morning but 1.2 percent lower on the week.

Sticking with Europe, the euro tumbled this morning following weak economic data out of Germany, the Eurozone’s largest economy. Germany’s Manufacturing Purchasing Manager’s Index (PMI) fell to 44.7 for the month of March, well below expectations of a 48.0 print and the prior reading of 47.6. Any reading below 50 indicates contraction in the manufacturing sector of the economy. This morning’s reading is the lowest for the index since 2012. This is just the latest in an ongoing string of lackluster data out of Germany and other Euro-area economies. The euro is trading roughly 0.7 percent lower against the USD early this morning in a week in which we have seen a bit more action in the currency. Though the euro had gained as much as 1.1 percent this week, it currently sits 0.2 percent lower from where it opened on Monday.

Elsewhere, markets are relatively mixed. Equities rose marginally in the Asian session, while European stocks are in the red following the negative data out of Germany. US futures are looking to continue the negative trend, with the Dow pointing to a 100-point drop at the open. The USD is broadly higher, with the dollar index up nearly a quarter percent this morning. Despite the dollar’s initial drop following the Federal Reserve meeting on Wednesday, the dollar index has rebounded and sits just 0.2 percent lower from where it opened on Monday.

Economic data for today includes US PMI figures at 9:45 a.m. EST. Expectations are for a 53.5 reading in the Manufacturing Index and a 55.5 print in the Services Index.

Have a great weekend,

Brian Fitzpatrick