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Dollar Tumbles to Lowest Level Since July as Euro Surges  
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By Robert Fullem

(Bloomberg) -- The dollar drops to its lowest level since July 26 amid momentum selling ahead of an FOMC meeting next week, while surging European equity markets on the heels of a report on China tariffs and dovish central banks help buoy the euro.

\* The Bloomberg dollar index -0.5% amid broad selling of greenback as longs cover positions

\* EUR/USD rises as much as 0.9% to 1.1773, highest level since July 9, after move above 1.1733 Aug. 28 high prompts short-covering; move may have filled prior offers noted at 1.1750 and stops above

\*\* A close above 1.1700 may spark additional buying, according to a NY trader; 1-month risk reversal continues to rise, with skew at its highest level since Aug. 22

\*\* Common currency gains follow Norges Bank lowering its longer-term rate projections after raising its benchmark rate for the first time in seven years

\*\* EUR/CHF rose as much as 0.3% after SNB lowered its inflation forecast, noting franc appreciation

\*\* EUR/JPY climbed as much as 0.8% to 132.05, highest level since May 2, as upward momentum builds

\* GBP/USD rose +1.1% to a high of 1.3288, biggest gain since Aug. 29, after U.K. retail sales unexpectedly rose in August; the European union special summit on Brexit is reportedly expected to take place Nov. 17-18, with negotiating parties remaining divided over key matters

\* Some information comes from an FX trader familiar with transactions who asked not to be identified because the person isn't authorized to speak publicly

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