



Foreign Exchange



Market Statistics

	Previous Close	Overnight Range	Today's Expected Range
\$/CAD	1.2520	1.2505-1.2595	1.2470-1.2630
EUR/\$	1.2952	1.2816-1.2966	1.2750-1.2920
GBP/\$	1.4898	1.4741-1.4916	1.4700-1.4800
\$/JPY	92.84	92.29-93.04	92.00-93.00
AUD/\$	0.6647	0.6497-0.6656	0.6500-0.6600

Regional News

AMERICAS

- USD/CAD – The USD traded on a firmer footing against a basket of currencies as risk appetite diminished in light of growing evidence of a global economic weakness. On the data front, pending home sales are expected to decline 2.9% versus a 4.6% drop prior. Out of Canada, the BoC policy announcement will dominate the domestic focus. Forecast is for a 50 bps cut in interest rates, however the market has been pricing in a decrease of 75 bps. Attention will be on the BoC's statement for clues on future interest rate decisions.

EUROPE

- EUR/USD – The Euro fell 0.6% against the USD as risk aversion weighed on stock markets. Data-wise, the German ZEW came in better than expected, coming in at -45.2 versus -54 in November. As well, Germany posted a surplus of EUR 15.8 billion for October, up from EUR 13.7 in the previous month.
- GBP/USD – The GBP dropped 1.5% against the JPY on the back of unwinding of carry trades. As well, the GBP hit session lows against the USD and the Euro after U.K. industrial production and trade data came in weaker than expected. Industrial output fell 1.7% in October, representing its biggest monthly fall since January 2003. As well, the U.K. trade deficit widened to GBP 7.75 billion in October versus GBP 7.36 billion in September. Lastly, U.K. BRC retail sales showed its steepest decline in three years, falling 2.6% in November.

ASIA

- USD/JPY – The JPY rose broadly on Tuesday as risk aversion supported the currency. On the data front, the Japanese economy contracted 0.5% in Q3, far more than an initial reading of a 0.1% decrease. The Japan October leading index fell 4.2% m/m, representing its largest decline since 1980.
- AUD/USD – The AUD eased on Tuesday the Australian NAB November business confidence fell to record lows of -30, with business conditions dropping to -17.

Source: CIBC Strategic FX, Action Economics, Reuters

Today's Economic Releases

TIME	COUNTRY	RELEASE	PERIOD	FORECAST	PREVIOUS
9:00 am	Canada	Bank of Canada Rate Policy	Dec	1.75%	2.25%
10:00 am	US	Pending Home Sales	Oct	-2.9%	-4.6%