



Market Statistics

	Previous Close	Overnight Range	Today's Expected Range
\$/CAD	1.0000	0.9995-1.0018	0.9965-1.0040
EUR/\$	1.5440	1.5404-1.5520	1.5425-1.5510
GBP/\$	1.9478	1.9458-1.9521	1.9450-1.9520
\$/JPY	104.7000	104.18-104.89	104.45-105.20
AUD/\$	0.9396	0.9395-0.9473	0.9410-0.9490

Regional News

AMERICAS

- USD/CAD – The markets wind down the week with data on April housing starts and preliminary May consumer sentiment from the University of Michigan. We expect further erosion in housing, with starts falling to 970K. The consumer sentiment index should also remain little changed and mired at a depressed 61.0 level, versus 62.6 in April. Treasury Secretary Paulson will speak on the housing and credit markets from Washington at noon. The domestic calendar finishes the week with a whimper, as only vehicle sales are due out on Friday. We expect a 0.5% gain in March vehicle sales.

EUROPE

- EUR/USD – The euro zone unexpectedly swung to a trade deficit in March from a surplus in February as the value of exports shrank and imports rose amid a strengthening euro and rising oil prices, data showed on Friday. The external trade gap of the 15 countries using the euro came to 2.3 billion euros (\$3.56 billion) in March against a 0.8 billion euro surplus in February and a 7.5 billion euro surplus 12 months earlier, the European Union's statistics office said.
- GBP/USD – The pound got a slight boost against the dollar as traders said stop-loss levels at around \$1.95 were breached, but the currency is well off the \$2 level last seen less than a month ago. Before Wednesday's inflation report, the Bank of England was widely seen as cutting rates by 25 basis points to 4.75 percent in June, but a majority of the market now feels it would hold off from reducing them until the third quarter.

ASIA

- USD/JPY – The yen trimmed losses against the dollar after data showed Japan's economy grew 0.8 percent in January-March from the previous quarter, above market expectations for a 0.6 percent increase, for an annualized rise of 3.3 percent. Overall the report showed the Japanese economy continued on an expansionary path through Q1, though concerns remain about a loss of momentum in the face of global uncertainties, leaving BoJ policy on hold indefinitely.
- AUD/USD – The Australian dollar rose over 1 percent to trade near recent peaks against the U.S. currency on Friday, as improved appetite for risk drew investors to higher-yielding currencies and leveraged carry trades. Asian stock markets tracked gains on Wall Street, where a drop in oil prices had eased concerns about inflation. That saw carry trades, where investors buy high-yielding currencies by selling the yen, back in favour. The Aussie also drew support from a view that Australian interest rates aren't likely to fall after the central bank governor said in a speech that restraining inflation remained a top priority.

Today's Economic Releases

TIME	COUNTRY	RELEASE	PERIOD	FORECAST	PREVIOUS
8:30 am	Canada	New Motor Vehicle Sales M/M	Mar	0.5%	-3.2%
8:30 am	US	Housing Starts	Apr	970K	947K
8:30 am	US	Building Permits	Apr	930K	928K
10:00 am	US	U of M Confidence	May	61.0	62.6