



**Foreign Exchange**



**Market Statistics**

	<b>Previous Close</b>	<b>Overnight Range</b>	<b>Today's Expected Range</b>
\$/CAD	1.0580	1.0578-1.0710	1.0580-1.0700
EUR/\$	1.4324	1.4152-1.4333	1.4180-1.4300
GBP/\$	1.8148	1.7918-1.8174	1.7970-1.8070
\$/JPY	105.60	105.42-107.72	107.00-108.00
AUD/\$	0.8035	0.8012-0.8138	0.8020-0.8100

**Regional News**

**AMERICAS**

- USD/CAD – Financial sector developments will remain the key focus. The markets will be watching for further details on the U.S. government-plan to take on toxic assets in the financial system. Meanwhile, bond insurers MBIA and Ambac are facing downgrades according to a couple of reports in the U.S. press late Thursday; the news is a sign that the implications of the credit crisis are far from over. A light calendar features a speech from Fed's Evans addressing the economic outlook. BoC Deputy Governor Murray spoke in Toronto on Thursday. He highlighted that Canada's markets are under less strain than the U.S. or the rest of the world and that Canadian banks "have healthy balance sheets and absolute leverage that is significantly lower than many of their international peers." Otherwise, the empty data calendar suggests that the market will continue to trade off financial sector developments.

**EUROPE**

- EUR/USD – The U.S. dollar held on to hefty gains against the euro on Friday, on news of the bail-out plan. The euro was down 0.8 percent off Thursday's 2-week highs. European stock markets rallied on the plan to create a new vehicle to take on troubled assets in order to stabilize financial markets.
- GBP/USD – Sterling dropped 1 percent versus a rallying dollar on Friday, with the U.S. currency surging as its government mulled over a more comprehensive solution to tackle the credit crisis. Meanwhile European exchanges banned short selling of financial stocks, a strategy alleged to have contributed to the wiping out of half the value of shares in UK lender HBOS in the week before rival bank Lloyds TSB stepped in to buy it. A recent poll forecast the BoE would cut rates in the fourth quarter of this year and again in each of the following three quarters to leave rates at 4.0 percent by the third quarter of 2009.

**ASIA**

- USD/JPY – The dollar rose nearly two percent against the yen on Friday, boosted by news that the U.S. government was considering a comprehensive plan to deal with the toxic bank assets at the heart of the financial market turmoil. The yen tumbled to its weakest level in a week against the U.S. currency, while higher-yielding currencies rose as investors regained some confidence.
- AUD/USD – The Australian dollar enjoyed one of its biggest rallies this year on Friday as hopes for a longer-lasting fix to the global credit crisis led to an unwinding in the extreme risk-aversion of recent days. The Aussie dollar rallied about 0.7% bouncing off a 13-month low that it hit earlier this week.

**Today's Economic Releases**

<b>TIME</b>	<b>COUNTRY</b>	<b>RELEASE</b>	<b>PERIOD</b>	<b>FORECAST</b>	<b>PREVIOUS</b>
	Canada	No Economic Data Today			
	US	No Economic Data Today			