



Foreign Exchange



Market Statistics

	Previous Close	Overnight Range	Today's Expected Range
\$/CAD	1.2323	1.2257-1.2325	1.2200-1.2380
EUR/\$	1.3585	1.3542-1.3614	1.3500-1.3650
GBP/\$	1.4553	1.4527-1.4635	1.4500-1.4600
\$/JPY	97.64	97.47-98.50	97.50-99.00
AUD/\$	0.6977	0.6976-0.7033	0.6950-0.7100

Regional News

AMERICAS

- USD/CAD – The USD/CAD continues to range-trade and consolidate since the big move last week after the Fed's announcement on its quantitative easing policy. The economic releases from the US today are jobless claims and the final GDP estimate. The Canadian economic calendar is empty for the balance of the week, so equities and commodities will play a more prominent role in the direction of the Canadian dollar.

EUROPE

- EUR/USD – ECB council member Christian Noyer said that inflationary effects from food prices are still ongoing. Speaking at a seminar earlier today, Noyer commented that current food price volatility poses a particular challenge for monetary policy and that food price volatility creates divergence between headline and core inflation. He also commented that rising commodity prices in the Euro-zone is not a threat to price stability but stressed that the central bank must be vigilant for any persistent food price rise that could lead to second round effects.
- GBP/USD – U.K. February retail sales slumped by 1.9%, far worse than the median expectation for a “no change” reading. Meanwhile, the January reading was revised up to 0.8% from 0.7%. As expected, the weather was quoted as one factor behind the drop, with much of England experiencing its worst snowfall in 18 years in the first week of February. BoE policymaker Andrew Sentance noted that allowing the U.K. budget deficit to get too large is not going to help business confidence. Sentance echoed Tuesday's comments by BoE's Governor King who railed against raising public debt levels further to provide additional stimulus. Sentance said earlier today that there is certainly a case for well-targeted fiscal measures to help companies' cash-flow but commented that the U.K. fiscal deficit is already very large and must be sustainable over the medium-term.

ASIA

- USD/JPY – Japan February Corporate Service Price Index (CSPI) widened to -2.6% y/y from -2.4% y/y in January, the steepest drop in 7 years, despite rising +0.2% for the month, first monthly increase in 9 months. The February increase was boosted by a 12% bounce in the ocean ship chartering services component, rebounding following recent sharp declines, in parallel with the Baltic Dry Index of shipping rates.
- AUD/USD – The Australian dollar held steady near multi-month highs against the US dollar (and the yen) as the market waits to see if the rally in the Aussie is sustainable. Australia is a major commodity exporter and is vulnerable to commodities prices, which are a decent barometer for the health of the world economy.

Source: CIBC Strategic FX, Action Economics, Reuters

Today's Economic Releases

TIME	COUNTRY	RELEASE	PERIOD	FORECAST	PREVIOUS
	Canada	No Economic Releases			
8:30 am	US	GDP (final estimate)	Q4	-6.6%	-6.2%
8:30 am	US	Continuing Claims	Mar 14		5,473K
8:30 am	US	Initial Claims	Mar 21		646K