

USD & JPY lower, risk appetite improves after Friday's nfp

FX Highlights

- The USD and JPY are trading lower to start the week as the Nikkei rises 2.9%, risk appetite improves in reaction to Friday's release of better than expected US unemployment data, on report that China may be considering a change in its currency policy and speculation that the EU will rescue Greece if necessary, Swiss unemployment comes in better than expected, EU investor confidence improved in March, commodity currencies trade higher supported by improving risk appetite, AUD trades at a six week high versus the USD
- Focus turns to today's release of Canada's housing starts
- The Financial Times reports that China is considering breaking the USD peg and shifting currency policy in response to the global financial crisis
- French President Sarkozy says that the EU is ready to help Greece, former Fed Chairman Volker says he expects the EUR will survive the Greek budget crisis
- AUD supported by report that Royal Dutch Shell and Petro China are bidding for Australia's Arrow Energy, AUD higher
- Japan's January current account surplus widens to ¥899.8bln, February M2 money supply rose by 2.7%, JPY lower
- EU Mark Sentix index at -7.5 compared to -8.2 last month, EUR higher
- Swiss unemployment rate came in at 4.4%, January retail sales rise by 4.4%, HF higher
- NABE survey says business economists see a Fed rate hike within the next six months
- Economists warn that the US budget deficit may threaten the US ability to borrow
- January consumer credit rose by 4.96bln, a reading of -4.5bln was expected, this marked the first rise in consumer credit in over a year and the largest increase since July 2008
- CFTC commitment traders for the IMM shows that speculators cut USD speculative long positions last week
- US equity markets set to open mixed, European equities flat, Nikkei closed 216 points higher

Upcoming Events

- **US** - Monday, no major US economic data is due for release today

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- **CAN** - Monday, February housing starts will be released expected at 189.5k compared to 186k last month

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