

USD lower, German ZEW beats forecast

FX Highlights

- The USD is trading lower as EU finance ministers say they have a plan to aid Greece and equity markets rally, EUR supported by report of better than expected German ZEW economic sentiment index, GBP supported by a report of rising UK house prices and the latest UK election polls which suggest the Conservatives will gain a slight majority in parliament, commodity currencies edge higher as stocks rally and commodities post modest gains, AUD gains limited by the release of dovish RBA policy minutes for the March meeting, JPY trades lower pressured by BOJ ease speculation and report that Japan may use its FX reserves to fund government spending plans
- Focus turns to today's release of US housing starts, building permits, import prices and FOMC policy statement, the Fed is expected to renew its pledge to keep rates low for an extended period, and Canada's labor productivity and manufacturing shipments
- Nikkei reports that Japan's Finance Minister Kan plans to use FX reserves to support government spending plans, the Nikkei report has been denied by government officials and Kan says Japan has no plans to tap FX reserves for spending, JPY lower
- RBA minutes for the March policy meeting state that interest rates will gradually move towards normal, the minutes were seen as slightly dovish, AUD higher
- EU ministers agree on a plan to aid Greece but reveal few details of how the plan may work, EU ministers downplay the risk of Greek default, EU February inflation rose by 0.3%, German March ZEW economic sentiment dipped to 44.5 from 45.1 last month, a reading of 43.7 was expected, EUR higher
- UK election polls suggest the Conservatives could win a small (40 seat) parliamentary majority in the UK election, UK January house prices rose by 6.2%, GBP higher
- Canada's home resales declined by 1.5% from January, Finance Minister Flaherty says CAD at parity to USD is competitive, CAD higher
- Over 100 members of the U.S. Congress want China to be named as a currency manipulator
- US equity markets set to open higher, European equities 0.75% higher, Nikkei closed 30 points lower

Upcoming Events

Please note that Forex trading (OTC Trading) involves substantial risk of loss, and may not be suitable for everyone. This report is provided by Easy-Forex™ for informative purposes only. In no way it is a recommendation by Easy-Forex™ for you to engage in any trade. It is your sole responsibility and you will have no claims with regards to this report against Easy-Forex™. If you do not agree to this, you are strongly advised not to use this report. Hence, Easy-Forex™ shall not be held responsible for any outcome of trading decisions, in regards with this report or similar reports.

-
- **US** - Tuesday, February housing starts will be released expected at 570k compared to 591k last month along with February building permits expected at 610k compared to 621k last month and February import prices expected at -0.2% compared to 1.4% last month
 - **CAN** - Tuesday, Q4 labor productivity will be released expected at 0.8% compared to -0.2% last quarter and January manufacturing shipments expected at 0.5% compared to 1.6% last month

Michael J. Malpede

Chief Market Analyst, Easy Forex

Please note that Forex trading (OTC Trading) involves substantial risk of loss, and may not be suitable for everyone. This report is provided by Easy-Forex™ for informative purposes only. In no way it is a recommendation by Easy-Forex™ for you to engage in any trade. It is your sole responsibility and you will have no claims with regards to this report against Easy-Forex™. If you do not agree to this, you are strongly advised not to use this report. Hence, Easy-Forex™ shall not be held responsible for any outcome of trading decisions, in regards with this report or similar reports.