

USD higher, EUR weakens on Greek uncertainty

FX Highlights

- The USD is trading higher on Greek uncertainty and in reaction to rumors that the Fed may hike the discount rate before the next policy meeting in April, German officials suggest that the IMF option is best for Greece, EU officials suggest that the EU member states are ready to help Greece if needed, BBK says that Greece does not need aid and should declare insolvency if it can't finance its debt, GBP is trading lower pressured by BOE's Sentence warning of possible double dip recession in the UK, CAD supported by report of higher than expected Canadian CPI
- Canada's February CPI rose by 0.4%, a 0.3% rise was expected, the annual core inflation rate rose by 2.1%, the higher than forecast Canadian CPI may increase the risk of an earlier BOC rate hike, CAD higher
- German February PPI was unchanged, EUR lower
- BOE's Sentence says there is a risk of flight double-dip recession in the UK, GBP lower
- JPY is trading mixed to higher supported by gains in cross trade versus European currencies, JPY upside was limited by a statement from Japan's FSA that a drop in the land survey price shows that the Japanese economy is still inflation
- Euro hits a seventeen month low versus the EUR in reaction to a statement from the SNB's Danthine that Swiss consumers and firms should prepare for rising borrowing costs and exchange rates to be determined by the markets
- China sent an envoy to Washington Friday to try to ease trade friction as US officials increase pressure on China to revalue the Yuan and threat of US /China trade war is rising
- US equity markets set to open lower, European equities 0.5% higher, Nikkei closed 80 points higher

Upcoming Events

- **US-** Friday, no major US economic data is due for release today
- **CAN-**Friday, February CPI will be released expected at 0.4% compared to 0.3% last month(already released)

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