

## USD lower, EU/IMF agree to a \$1trln rescue package

### FX Highlights

- The USD is trading sharply lower and stock markets surge in reaction to report that the EU and IMF announced loan and guarantee plans for Greece totaling close to \$1trln, EU central banks will buy bonds and defend the EUR, G-7 central banks agree to establish temporary USD swap facility to the ease USD funding strains in Europe, cost of funding Greek debt falls sharply, EUR trades sharply higher in reaction to the EU rescue plan, GBP supported by improving risk sentiment and BOE decision to leave monetary policy and the level of asset purchases unchanged, commodity currencies trade higher supported by the return of risk appetite, JPY trades lower in reaction to surge in equity markets
- Focus turns to today's release Canada's housing starts
- Australia's April NAB business condition index rose by eight points, April job ads fall 1.2%,AUD higher
- BOE holds monetary policy and asset purchases unchanged, GBP higher
- EU may Sentix index declined to -6.4 from 2.5 last month, German March industrial output declined by 3.7%,EUR higher supported by EU stabilization plan
- Fed's Plosser says he favors selling assets as a Fed exit strategy he warned that risks to inflation are on the upside and Greek crisis is a risk to US recovery
- US Consumer credit expanded by 2bln in March , a -3bln decline was expected
- US equity markets set to open sharply higher, European equities 8% higher, Nikkei closed 166 points higher

### Upcoming Events

- **US**-Monday, no major US economic data is due for release today
- **CAN**-Monday, April housing starts will be released expected at 199.2k compared to 197.3 k last month

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