

USD lower, UAE offers to provide liquidity to Dubai

FX Highlights

- The USD is trading lower as UAE Central Bank provides emergency liquidity to Dubai and global equity markets trade mixed, risk appetite improves as the UAE action helps to provide stability to the financial markets reducing fears of contagion from the Dubai debt crisis, GBP trades mixed initially pressured by report of an unexpected decline in UK consumer confidence with downside limited by report of an increase in mortgage approvals, EU consumer prices rise more than expected in November, JPY higher despite Japanese threats to take action against the JPY rise, commodity currencies trade higher as risk appetite improves and fears of significant fallout from the Dubai debt crisis fade
- Focus turns to today's release of Chicago PMI and Canada's IPPI/ RMPI and GDP
- Japan's October industrial production rose 0.5%, November manufacturing PMI falls to 52.3 from 54.3 last month, October housing starts fall 27.1%, Japan's PM says that Japan should act swiftly in regard to the Yen rise, Japan's National Strategy Minister says the Japanese government has agreed to try to stop the JPY's appreciation, JPY higher
- Australia's November inflation index rose 0.3%, Q3 business inventories rose by 0.8%, October private sector credit was unchanged and October new home sales declined by 6%, AUD higher
- BOE's Posen says it's too early to exit monetary stimulus, UK November GFK consumer confidence falls to -17, October consumer credit at -0.579bln versus -0.299bln last month, October mortgage approvals rose by 57,345k from 56,205k last month, GBP lower
- EU November HICP rose by 0.6%, this was the first rise in EU CPI in seven months, EUR higher
- US equity markets set to open mixed, European equities 0.5% lower, Nikkei closed 264 points higher

Upcoming Events

- **US** - Monday, Chicago November PMI will be released expected at 53 compared to 54.2 last month
- **CAN** – Monday, October IPPI and RMPI will be released expected at 0.2% and 1.9% respectively along with September GDP expected at 0.3% compared to flat last month

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