

USD mixed, report of 25bln aid plan for Greece denied

FX Highlights

- The USD starts the week mixed to a bit firmer as the German finance Ministry denies report that the EU plans 25bln rescue plan for Greece, the USD had been weakening in early overseas trade pressured by a slight improvement in risk sentiment as Asian equity markets rise and in reaction to diminished Fed rate hike speculation as the US reported weaker than expected CPI Friday, focus turns to this week's testimony from Bernanke before Congress later in the week, GBP pressured by UK election poll which suggests risk of a hung parliament as the Tory party lead narrows, JPY edges higher despite improvement in risk appetite as the Nikkei surges by 3%, AUD pressured by weak Australian new vehicle sales
- No major US or Canadian economic data is due for release today, Chicago January National Activity Index and Dallas Fed manufacturing survey will be released
- Rumor of a 25bln aid plan for Greece was denied by the German finance minister, Bloomberg reports that EU derivative markets suggest that the EUR will continue to weaken even if the EU bails out Greece, George Soros says the EU will face bigger problems than Greece, EUR lower
- Japan's DPJ party support falls to 37%, corporate bankruptcies fall to pre-crisis levels, BOJ reiterates pledge to combat deflation, Nikkei rose by 3%, S & P says there is a low chance of Japan being downgraded this year, JPY higher
- Australia's January new vehicle sales fell by 3.4%, AUD lower
- SNB VP Jordan says recent CHF strength no barrier to growth, central bank ready to act on excessive CHF strength, CHF lower
- MBA says the number of people falling behind on home loans fell to 3.6% from 3.8% in the third quarter, this means the number of foreclosures are likely to decline and the mortgage crisis may be easing
- Reuters reports that the SEC is looking into possible new regulations to curb short selling of stocks
- NABE expects 103k jobs growth per month growth in 2010 and a jobless rate at 9.6% by end of the year, sees housing market recovery ongoing and sustainable, corporate profits to rise 24% over the next two years
- US equity markets set to open higher, European equities mixed, Nikkei closed 277 points higher

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Upcoming Events

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

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