

Global equity markets rose last week, while the US dollar slumped, as markets growing expectations that the US Federal Reserve is nearing the end of its tightening cycle. Minutes from the Fed’s last meeting showed that several policymakers in the US considered pausing interest rate increases but concluded that fighting inflation needed to be prioritized. Traders have now priced in a 78% chance that the Fed will increase rates at its May meeting. Data points on Wednesday (CPI) and Thursday (PPI) both declined in February, showing that broader price pressures are fading. On the equity front, first-quarter earnings season kicked off with a strong initial push, with 90% of the companies reporting earnings so far beating estimates. Earnings season continues this week with high-profile releases from Goldman, Morgan Stanley, Netflix and Bank of America. While the week ahead is a bit light on the economic calendar, the US reported strong manufacturing data from the NY Empire State manufacturing index.

**EUR:** The Euro begins the week dipping below the 1.10 threshold and multi-month highs of last Friday, with traders’ expectations rising of a 25bps hike from the Fed at its next meeting. ECB President Christine Lagarde is set to speak today, which may provide the Euro some short-term volatility in an otherwise light economic calendar.

**GBP:** The Great British Pound starts the week much softer, as its rally against the US Dollar is showing signs of slowing. This week is busy in the UK, with economic data reporting on jobs, inflation, consumer confidence, retail sales and PMI, all which could impact the BOE’s rate decision at its meeting on May 11<sup>th</sup>.

**CAD:** The loonie saw small gains of .10% vs. the USD to start the week. Despite a pullback of .40% in crude oil, the CAD is the best performing of the G10 vs the buck. Tomorrow, Canada is set to release YoY CPI. The reading is expected to fall significantly to 4.30% vs. a prior reading of 5.20%, with the monthly figure expected to rise slightly by .20%.

**JPY:** The yen was the biggest mover overnight, seeing a .50% drop so far today. Japanese PM Kishida has seen a rise in popularity due to several events over the weekend. To begin, a significant deal that is designed to improve Japan’s political relations with South Korea. Second, the PM made a surprise visit to Ukraine in a show of support on the war vs. Russia. Finally, an assassin failed in his attempt to end the PM’s life with an explosive device. Not much is known about the attacker at this time.

EXCHANGE RATE	
Currency	Rate
EUR/USD	1.0916
GBP/USD	1.2363
AUD/USD	0.6686
NZD/USD	0.6166
USD/CAD	1.3416
USD/MXN	18.1277
USD/CHF	0.8989
USD/JPY	134.5200
USD/SGD	1.3354
USD/THB	34.4950
USD/CNY	6.8810

UPCOMING ECONOMIC RELEASES					
Date	Country	Economic Event	Prior	Forecast	
4/18	GBP	Unemployment Rate	3.7%	3.7%	
	EUR	ZEW Economic Sentiment Index	13	15.3	
	CAD	Core Inflation Rate YoY	4.7%	4.4%	
4/19	USD	Building Permits Prel	1.55M	1.44M	
	GBP	Core Inflation Rate YoY	6.2%	6.0%	
	EUR	Core Inflation Rate YoY	5.6%	5.7%	
	NZD	Inflation Rate YoY	7.2%	7.1%	
4/20	EUR	ECB Monetary Policy Meeting			