

The dollar trimmed its initial gains against major pairs Monday as investors focus on diverging central bank policy, with the impact of oil production cuts complicating the inflation outlook. Data released on Friday showed an acceleration in core price growth in the euro area, which analysts said should strengthen the case for more rate hikes from the European Central Bank, while a measure of core inflation in the U.S. came in a shade lower than expected at 4.6%. The dollar index, which measures the currency against a basket of six currencies including the euro, was down 0.12% at 102.38. Focus this week will be on U.S. activity data and Friday's jobs report, although many markets will be closed for the Easter holiday.

AUD: The Australian dollar was last up 1.12% to \$0.6770 ahead of a policy meeting at the Reserve Bank of Australia on Tuesday, with markets placing close to an 85% chance the central bank will stand pat on interest rates after 10 interest rate hikes.

CAD: The Canadian dollar is marginally weaker against the USD this Monday morning at 1.3454, but comparatively stronger than most of its G10 counterparts on the back of a surprise production cut announcement by OPEC+. The systemic impact on global economies, particularly those who have been struggling to quell inflation, are likely to be the hardest hit.

EUR: The Euro has been on an upward trajectory against the US Dollar over the past few trading days, with rates briefly topping out above the 1.09 handle last week before dropping in early Monday trading. The drop in the Euro to start the week was due to a surprise OPEC production cut that has increased global economic recovery concerns.

GBP: The British Pound has started on a positive note this week, as the Sterling looks toward the 1.24 level. Positive risk sentiment has provided a boost to the Sterling despite a slight miss on the UK Manufacturing PMI release this morning. Investors are still concerned about rising energy prices and their impact on inflation, with oil prices up over 6% on the day in London.

EXCHANGE RATE	
Currency	Rate
EUR/USD	1.0886
GBP/USD	1.2397
AUD/USD	0.6770
NZD/USD	0.6286
USD/CAD	1.3454
USD/MXN	18.0558
USD/CHF	0.9138
USD/JPY	132.4900
USD/SGD	1.3288
USD/THB	34.2230
USD/CNY	6.8784

UPCOMING ECONOMIC RELEASES				
Date	Country	Economic Event	Prior	Forecast
04/03	AUD	RBA Interest Rate Decision	3.6%	3.6%
	USD	ISM Manufacturing PMI (MAR)	47.7	47.5
04/05	CAD	Balance of Trade (FEB)	C\$1.92B	C\$1.8B
	MXN	Inflation Rate YoY (MAR)	7.62%	76.92%
04/06	USD	ISM Non-Manufacturing PMI (MAR)	55.1	54.5
	CAD	Employment Change (MAR)	21.8K	12K
	CAD	Unemployment Rate (MAR)	5.0%	5.1%
04/07	USD	Retail Sales YoY (Feb)	311K	240K
	USD	Unemployment Rate (MAR)	3.6%	3.6%