

The week starts off with the market still somewhat in turmoil but does appear to be improving. This past weekend, several global central banks; including the Fed; announced increases to USD swap arrangements to ease strains on the financial markets. Overnight, financial markets exhibited a risk-averse tone despite attempts over the weekend to stabilize the mood from the recent banking crisis. The USB acquisition of Credit Suisse provided some support to the EUR and CHF but equities continue to trade lower and commodity tied currencies are weaker overall. The JPY on the other hand continues to show strength; reflecting an overall cautious market. All eyes will be on the Fed and its pending rate announcement this Wednesday. The market appears to be set on a Fed dovish tone going forward; causing the USD to trade lower vs. its major counterparts. Many are anticipating a 25bp hike with the accompanying language exercising caution determinant on economic data. The Bank of England will also be in focus with the market anticipating a 25bps hike before pausing. On the data front, CPI reports from the UK, Canada and Japan will be closely watched while PMI readings from the U.S. Australia and EU later in the week will be highlighted. Have a great week!

AUD: AUD/USD pulls back from nearly 2-week highs touched overnight. A solid bounce in U.S. equity futures is a key factor in lending support for the risk sensitive Aussie amid fresh USD selling. As global risk sentiment recovers, a further slide in U.S. treasuries acts as a tailwind for the AUD/USD pair.

CAD: The loonie is little changed vs. the USD and continues to be a relative out-performer among the majors; with the market having little appetite to push the currency out of its recent ranges. U.S. yield remain at a premium vs. Canadian bonds but a broader sustained pause in global central bank tightening could be more CAD supportive.

EUR: The Euro was boosted last week after the ECB increased interest rates by 50bps, with strong hints of further increases in the future. This optimism faded for the Euro, which now starts the week on a nervous note with news breaking over the weekend that Switzerland's largest bank, UBS, will purchase its troubled rival Credit Suisse.

GBP: The Pound continues its climb against the US Dollar, after last week's announcement from the UK's Office for Budget Responsibility announcing that the UK will avoid a technical recession, but will instead face a small contraction of 0.2%. Impacting the Sterling this week will be rate decisions in the US as well as the ongoing medical worker strike in the UK, with NHS nurses, ambulance staff and junior doctors advocating for higher wages.

UPCOMING ECONOMIC RELEASES

Date	Country	Economic Event	Prior	Forecast
03/21	EUR	ZEW Econ Sentiment Index (Mar)	29.7	
	CAD	Core Inflation Rate YoY (Feb)	5.0%	4.8%
	USD	Existing Home Sales MoM (Feb)	-0.7%	5.0%
03/22	GBP	Core Inflation Rate YoY (Feb)	5.8%	5.7%
	EUR	ECB President Lagarde Speech		
	USD	Fed Interest Rate Decision	4.75%	5.0%
03/23	USD	Fed Press Conference		
	GBP	BoE Interest Rate Decision	4.0%	4.25%
	USD	Initial Jobless Claims	192k	
	JPY	Inflation Rate YoY (Feb)	4.3%	
03/24	GBP	Retail Sales YoY (Feb)	-5.1%	-4.7%
	EUR	S&P Global Mfg PMI Flash (Mar)	48.5	49.0
	GBP	S&P Global/CIPS Mfg PMI (Mar)	49.3	49.8
	USD	Durable Goods Orders MoM (Feb)	-4.5%	0.6%

Exchange Rates

Currency	Rate
EUR/USD	1.0724
GBP/USD	1.2262
AUD/USD	0.6718
NZD/USD	0.6263
USD/CAD	1.3668
USD/MXN	18.8515
USD/CHF	0.9248
USD/JPY	131.63
USD/SGD	1.3383
USD/THB	34.0550
USD/CNY	6.8769