

The US equity markets fluctuated throughout last week, ending in positive territory despite the continuing worries around the banking industry and recessionary fears. Overall, worldwide financial sectors remained under pressure as the US Federal Reserve raised its bank lending interest rate by 25bps. The interest rate decision and subsequent talking points saw a notable shift in the overall dot plot, with officials expecting to see an end to raising rates after one more rate hike in May. Fed Chair Powell did not directly rule out any rate cuts in 2023 but did indicate that markets would need to show serious signs of deterioration for the Fed to even consider a cut. The week starts off with a fairly subdued tone, as news broke before the European markets open that First Citizens Bank announced that it has taken over the assets of Silicon Valley Bank at a \$18B discount, with the FDIC continuing to hold SVB's deposits in the recently formed bridge bank. The US dollar index has nudged lower to start the week, as the buck benefited from the risk off sentiment in the past few sessions, so the change in sentiment today weighs on the greenback. The week ahead is busy from an economic data perspective, with European CPI figures and US releases on GDP, Core PCE and jobs data.

**EUR:** The Euro remains in its recent well-worn range despite last week's climb against the US dollar, with the Euro topping out at 1.10, but now hovers around the 1.078 handle to start the week. All eyes will continue to focus on the overall health of the Eurozone, while the ECB continues to be behind the curve on the interest rate level and the Governing Council indicating they are open to further hikes.

**GBP:** The Great British Pound has inched higher to start the week as overall market risk sentiment has improved with the news breaking of the purchase of SVB's assets. The week is fairly quiet for the Pound until Friday when the latest GDP data will be released, with the projected forecast showing a 0.4% of annualized growth.

**JPY:** The Japanese Yen took a small hit to start the week, a move that most are pointing to as a bit corrective on the back of little economic news. While the biggest news mover of the USD/JPY pair this week will be the US GDP data on Friday, the health of the banking sector and interest rate prospects will cause any movement mid-week.

**CAD:** The loonie has reversed last week's course and begins this week trading higher, as crude oil has increased to \$71.35/barrel from a high of \$30.33/barrel last Friday. This week's Canadian data is highlighted by Friday's monthly GDP figure for January will be released

## EXCHANGE RATE

Currency	Rate
EUR/USD	1.0788
GBP/USD	1.2277
AUD/USD	0.9091
NZD/USD	0.6189
USD/CAD	1.3622
USD/MXN	18.3994
USD/CHF	0.9165
USD/JPY	131.51
USD/SGD	1.3321
USD/THB	34.4260
USD/CNY	6.8819

## UPCOMING ECONOMIC RELEASES

Date	Country	Economic Event	Prior	Forecast
3/28	USD	CB Consumer Confidence	102.9	101
3/29	EUR	GfK Consumer Confidence	-30.5	-29.2
3/30	EUR	German Inflation Rate YoY	8.7%	7.3%
	USD	GDP Growth Rate QoQ	3.2%	2.7%
	CNY	NBS Manufacturing PMI	52.6	
3/31	GBP	UK GDP Growth Rate YoY	1.9%	0.4%
	EUR	France Inflation Rate YoY	6.3%	5.5%
	EUR	Germany Unemployment Rate	5.5%	5.5%
	EUR	Eurozone Core Inflation Rate	5.6%	5.7%
	EUR	Italy Inflation Rate YoY	9.1%	8.2%
	USD	Core PCE Price Index	4.7%	4.7%
	USD	Michigan Consumer Sentiment Final	67	63.2