

The U.S. dollar fell slightly from a five-week high on Monday after a period of strength. The dollar index, which measures the greenback against six major peers, is down 0.16% to 102.52. This is just below a five-week high of 102.75 touched earlier Monday. Analysts have said many factors could be behind the dollar's recent strength, including concerns about U.S. inflation as fears about the debt ceiling standoff and global economic growth are driving safe haven buying. U.S. yields rose on Friday and Monday after a University of Michigan survey of consumers' long-term inflation expectations jumped to the highest since 2011. That put a possible Fed rate hike next month back in play, with traders laying down those odds at 11.5%.

AUD: In a tumultuous few days that saw US and Chinese inflation gauges soften, AUD/USD remains hostage to the range that it has been in for several months settling at 0.6691. While the easing of price pressures in the US has been cheered by some that are looking for a less hawkish Fed, the retreat of Chinese CPI and PPI might be the forerunner of concerns for global growth in 2023. The US Dollar found support on perceived safe haven buying, while industrial metals slid lower with less demand anticipated from China.

CAD: The Canadian Dollar, currently at 1.3595, weakened marginally as Investors sought safe-haven assets last week after economic data showed a deteriorating US economy. Furthermore, the US debt ceiling crisis increased fears of a default that could affect the global economy. Investors will receive key releases from Canada and the US next week. Canada will release the all-important inflation report.

EUR: The Euro has slipped against the US dollar in the last few trading sessions as news broke this morning that Eurozone industrial production showed a 4.1% month over month decline, the lowest rating since October 2021. ECB policy makers are also striking different tones, as The EU Commission Forecast has projected 2023 GDP growth to increase by 1.1% (from 0.9%) for 2023 while inflation has also projected to increase to 5.8% (from 5.5%) for 2023.

GBP: The Bank of England met last week and raised interest rates by 25bps as expected, as the BoE continues its aggressive push to tame inflation. After the meeting, markets showed a downward trend of future increases as recessionary fears continue to dominate world economies.

EXCHANGE RATE

Currency	Rate
EUR/USD	1.1034
GBP/USD	1.2468
AUD/USD	0.6683
NZD/USD	0.6150
USD/CAD	1.3541
USD/MXN	17.9830
USD/CHF	0.8885
USD/JPY	134.3900
USD/SGD	1.3346
USD/THB	34.3780
USD/CNY	6.8966

UPCOMING ECONOMIC RELEASES

Date	Country	Economic Event	Prior	Forecast
05/15	AUD	Westpac Consumer Sentiment Index	85.8	
05/16	CAD	Inflation Rate YoY (Q1)	7.8%	6.9%
	CAD	Core Inflation Rate MoM (APR)	0.6%	104
	EUR	German ZEW Economic Sentiment Index	4.1	-5.3
	EUR	EU ZEW Economic Sentiment Index	6.4	
	EUR	GDP Growth Rate QoQ 2 nd Est (Q1)	0%	0.1%
	EUR	GDP Growth Rate YoY 2nd Est (Q1)	1.8%	1.3%
	JPY	GDP Annualized Growth Rate	0.1%	0.7%
	GBP	Employment Change	169K	160K
	GBP	Unemployment Rate (MAR)	3.8%	3.8%
	USD	Retail Sales MoM (APR)	-0.6%	0.8%
05/17	AUD	Employment Change (APR)	53K	25K
	AUD	Unemployment Rate (APR)	3.5%	3.5%
	EUR	Core Inflation Rate YoY Final (APR)	5.7%	5.6%
	USD	Building Permits Prel (APR)	1.43M	1.437M
05/18	JPY	Inflation Rate YoY (APR)	3.2%	
05/19	USD	Fed Chair Powell Speech		