

Morning Comment

FX Market Research Team

Monday, 29 June 2009 12:26 GMT



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Investment Research Division

Tamley Global Markets

Foreign Exchange Market Rates

MARKET	BID	ASK
USD/CHF	1.0866	1.0869
GBP/USD	1.6532	1.6535
USD/JPY	95.43	95.45
EUR/USD	1.4046	1.4048
USD/CAD	1.1533	1.1537
EUR/GBP	0.8495	0.8497

Central Bank Interest Rates

 0.25%	 2.50%
 3.00%	 0.10%
 0.25%	 1.00%
 0.50%	 0.25%

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Skepticism Ahead of Key Data

- Dollar steady on Asia session
- Japan: Industrial production hit record in May
- Traders take to sidelines ahead of key data

The US Dollar has strengthened against the Euro and Yen in the Asia session, after comments from China Sunday suggested that the country would not change its policy of keeping the US Dollar as its key foreign reserve currency for the time being. The mixed performance from the Asian stocks contributed for a steady US Dollar.


Although the Dollar has started the week stronger against the Yen, investors' sentiment might get a boost from the news that Japanese industrial production jumped 5.9% in May, as the sector outperformed past results.

Traders will continue to focus on signs of recovery in the main economy events and releases this week, which includes key ISM and PMI surveys for the US and Eurozone. With the eurozone surveys expected to confirm that the eurozone is behind other major economies, the data could have adverse impact on the single currency.

Sterling started the week on firm tone versus the Dollar and Euro. The focus this week will be on the housing market data, with Nationwide and the Halifax pricing surveys as well as the Bank of England' May banking data, which is expected to show a growing number of mortgage approvals. Also is due for release this week, the manufacturing and services PMI, which will probably show that the UK is ahead of other countries in the recovery cycle.

Key Economic Events

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Time	Currency	Impact	Description of Event	Actual	Forecast	Previous
0:50	JPY		Prelim Industrial Production m/m	5.9%	7.1%	5.2%
0:50	JPY		Retail Sales y/y	-2.8%	-2.6%	-2.9%
9:30	GBP		Net Lending to Individuals m/m		1.3B	1.3B
9:30	GBP		Mortgage Approvals		46K	43K
10:00	EUR		Consumer Confidence		-29	-31