

USD lower, Russia expects creation of a global currency

FX Highlights

- USD is trading lower pressured by a rally in crude prices above \$72 a barrel, upgrade of Japan's economic outlook, better than expected German ZEW economic sentiment report, higher than expected UK CPI and a statement from Russian President that the world will see the creation of a supranational currency, focus turns to US PPI and housing starts
- BOJ elects to hold monetary policy unchanged and raises economic assessment, Japan's Finance Minister Yosano says he is convinced the USD will remain the world's key reserve currency, BOJ Shirakawa says that recent rate rise reflects market hope that the economy is bottoming, JPY higher
- EU May inflation rises 0.1%, German June ZEW economic sentiment rises to 44.8 from 31.1 last month, a reading of 35 was expected, current conditions fall to -89.7 from 92.8, a reading of 92.8 was expected, ZEW economists say that the German recession is nearing its lowest point, EUR higher
- UK May CPI rises more than expected reported up 0.6%, GBP higher, GBP trades to new 2009 high versus the EUR as the ECB warns on banks, the ECB says EU banks may have to write down another 283 bln
- RBA minutes for the June policy meeting indicates there is no need for further policy action at this time and lower inflation affords room to ease if necessary, AUD higher
- US May credit card defaults rise to a record level
- June NAHB index falls one point to 15 from 16 last month a reading of 17 was expected, this was the first decline since January
- US equity markets set to open mixed, European equities higher, Nikkei closed 286 points lower

Upcoming Events

- **US**-Tuesday, May PPI is due for release expected to rise 0.6% compared to 0.3% last month along with May housing starts which are expected to rise to 490K from 450K last month and May industrial production expected to fall 0.9% compared to -0.5% last month and May capacity utilization expected at 68.4% compared to 69.1% last month
- **CAN**-Tuesday, Q1 labor productivity will be released expected to fall 0.3% compared to -0.4% last quarter

Please note that Forex trading (OTC Trading) involves substantial risk of loss, and may not be suitable for everyone. This report is provided by Easy-Forex™ for informative purposes only. In no way it is a recommendation by Easy-Forex™ for you to engage in any trade. It is your sole responsibility and you will have no claims with regards to this report against Easy-Forex™. If you do not agree to this, you are strongly advised not to use this report. Hence, Easy-Forex™ shall not be held responsible for any outcome of trading decisions, in regards with this report or similar reports.

Michael J. Malpede

Chief Market Analyst, Easy Forex

Please note that Forex trading (OTC Trading) involves substantial risk of loss, and may not be suitable for everyone. This report is provided by Easy-Forex™ for informative purposes only. In no way it is a recommendation by Easy-Forex™ for you to engage in any trade. It is your sole responsibility and you will have no claims with regards to this report against Easy-Forex™. If you do not agree to this, you are strongly advised not to use this report. Hence, Easy-Forex™ shall not be held responsible for any outcome of trading decisions, in regards with this report or similar reports.