

The U.S. dollar: Still no rebound in sight

HIGHLIGHTS

- The action taken by the U.S. Federal Reserve appears to favour a resolution of the U.S. subprime mortgage crisis, but it is too early to hope for a greenback rebound.
- The European Central Bank's monetary rectitude could push the euro over US\$1.60.
- The Bank of England rate cuts hurt the pound sterling.
- The yen is a victim of the markets' mood.
- The Canadian dollar is grappling with headwinds: the impacts of the U.S. slowdown on the Canadian economy are offset by high oil prices.
- China's currency crosses the 7 yuans/US\$ mark, and keeps rising.

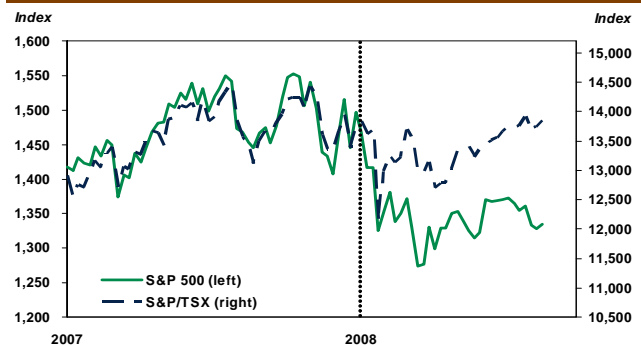
CONTENTS

| | |
|--------------------------|----|
| Editorial | 1 |
| Euro | 6 |
| British pound | 7 |
| Yen | 8 |
| Canadian dollar | 9 |
| Australian dollar | 10 |
| Mexican peso | 11 |
| Chinese yuan | 11 |
| Technical analysis | 12 |
| Tables | 14 |

Editorial

Recent developments in the United States, particularly the U.S. Federal Reserve (Fed) action to finance J.P. Morgan's purchase of Bear Stearns, gave many market players a shot of optimism (Graph 1). The stock market gained 7.5% in the four weeks that followed, then retreated somewhat after the bad financial news from GE. Interest rates on government bonds came back up on the expectation that fewer rate cuts would be needed to put the U.S. economy back on track.

Graph 1 – The stock markets have rebounded from their March 17 low



Sources: Datastream and Desjardins, Economic Studies

This helped the greenback come back somewhat over the last few weeks from its historic low on March 18 (Graph 2). However, with more bad news yet to come, renewed risk taking seems a little premature; it is still too early to expect a rebound by the trade-weighted U.S. dollar index.

In the best case scenario, the greenback stabilization period should continue. Ben Bernanke and his Fed colleagues mentioned that the U.S. economy could contract in the first half of 2008. For now, households are holding their own. Consumption has decelerated, but has not yet contracted, which is more typical during a recession. Production indexes like the ISM manufacturing index are not painting a categorical

François Dupuis
Vice-President and Chief Economist

Yves St-Maurice
Director and Deputy Chief Economist

Mathieu D'Anjou
Senior Economist

Martin Lefebvre
Senior Economist

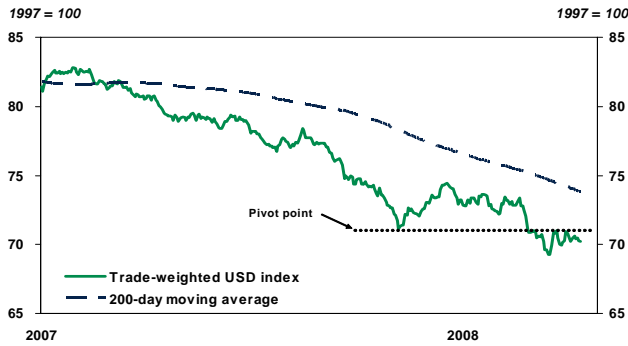
Hendrix Vachon
Economist

514-281-2336 or 1 866 866-7000, ext. 2336
E-mail: desjardins.economics@desjardins.com

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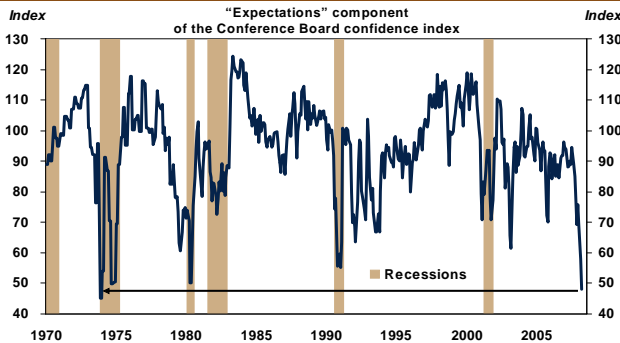
Graph 2 – At best, the U.S. dollar stabilization period will continue



Sources: Datastream and Desjardins, Economic Studies

picture of a pullback by aggregate demand, either. However, the latest figures from the labour market are more symptomatic of a crisis. March's numbers for the business survey indicated that the situation had worsened from the previous month, while the revised figures put job losses from the beginning of the year at 232,000. It is not surprising that consumer confidence, already affected by record gas prices, continued to slide in March. Consumer expectations, which reached their lowest point since 1973, are of particular concern, reminiscent of a recession (Graph 3).

Graph 3 – Consumer confidence points to substantial darkening for the American outlook for growth



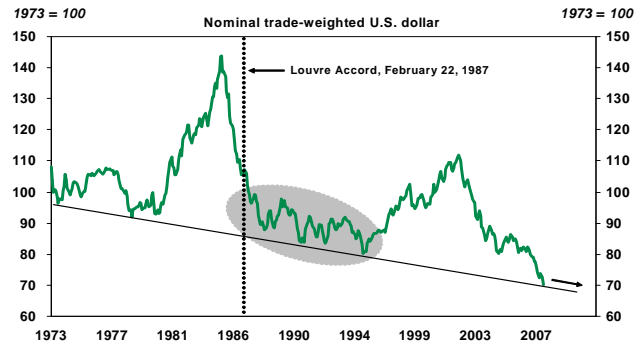
Sources: Conference Board and Desjardins, Economic Studies

Under the circumstances, with all of the problems still concentrated in the United States, pressure on the greenback remains downward. Historically, much of the U.S. dollar's depreciation is behind us now, but the long-term trend shows that there is still room for a small correction (Graph 4).

Although the Chinese yuan's appreciation¹ against the greenback has accelerated in the last few years, the

¹The U.S. dollar's 3.3% depreciation against the yuan in 2006 accelerated to 6.5% in 2007, and to 4.3% after less than four months in 2008.

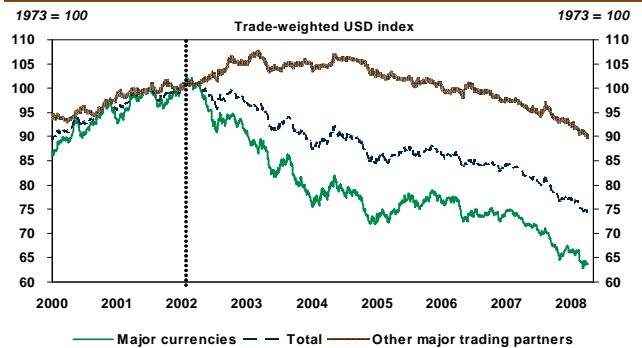
Graph 4 – The long-term trend indicates that much of the U.S. dollar's depreciation is behind us



Sources: Federal Reserve Board, Datastream and Desjardins, Economic Studies

adjustments the greenback has been making lately continue to occur, to the detriment of the major currencies (Graph 5). This did not fail to rekindle debate about a potential G7 intervention to stabilize the greenback. In particular, the euro (because of its role as a substitute benchmark currency and, most of all, the European Central Bank's (ECB) monetary rectitude) and the yen (due to the reversal of carry trades) have shot up since the beginning of the year. As a result, there was nothing surprising in the remarks that Jean-Claude Trichet made at the press conference following the ECB's latest decision as to his concerns about the excessive volatility in the exchanges.

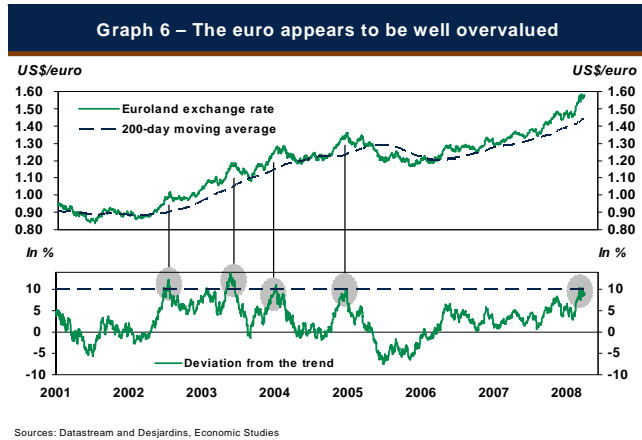
Graph 5 – Despite the yuan's appreciation, the U.S. dollar continues to depreciate against the major currencies



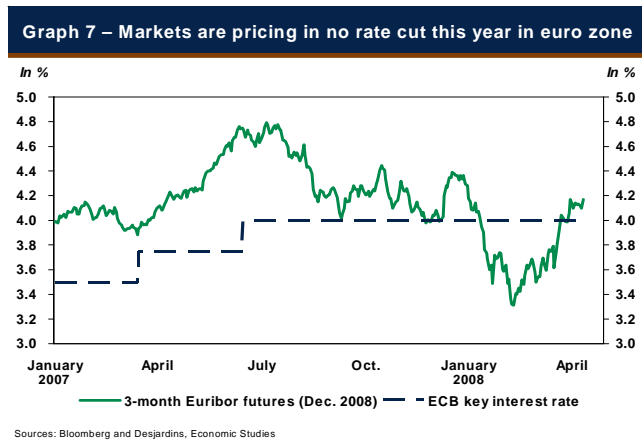
Sources: Federal Reserve Board, Datastream and Desjardins, Economic Studies

Given that the ECB is not very open to monetary easing in 2008, pressure will remain on the euro. To no one's surprise, Euroland's monetary authorities opted for the status quo for the eleventh straight time. The President even said that the ECB's only mandate was price stability. Of course, inflation appears to have crested at 3.6% in March, but it is not showing many signs of flagging. The ECB is still concerned about elevated oil prices. However, it is primarily second-round risks associated with the anchoring of inflation expectations and the increase in prices on wage settlements that are worrying

it. Under the circumstances, although the currency appears to be well overvalued, it would be surprising to see a major correction by the euro until the ECB opens the door to potential rate cuts (Graph 6).

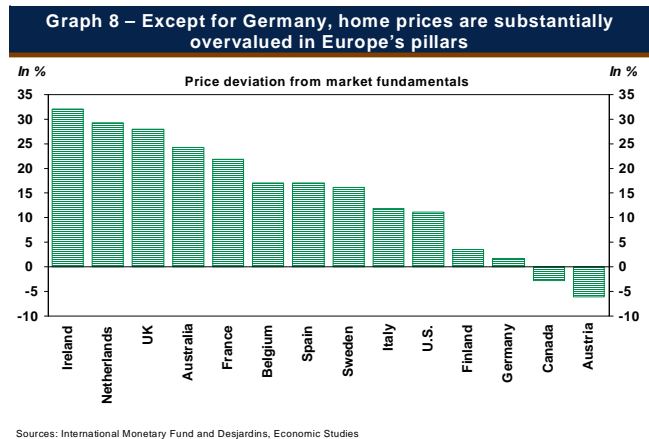


Parallel to the meeting of the G7's central bankers, Yves Mersch, governor of Luxemburg's central bank, asserted that the ECB was not in a position to lower interest rates this year, as inflation will remain above the 2% target ceiling in 2008 and 2009. Markets have revised their expectations and now see no interest rate cut until the end of year (Graph 7).



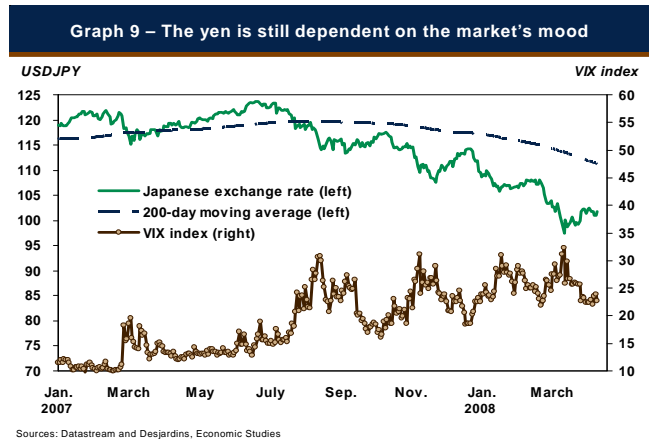
In the very near future, the technical analysis (see page 11) shows that a dip toward US\$1.57 is possible, but the setting of increasingly high lows could allow the currency to cross the US\$1.60 mark in the next few weeks.

In the longer term, however, we still believe that the euro is ripe for a major correction. Sooner or later, the U.S. slowdown will have an impact on economic activity in the euro zone. The indicators already show that some areas, like Italy, are having some trouble. But the slowdown could spread as the



real estate market seems to have reached unsustainable levels throughout Europe (Graph 8).

The U.S. dollar's trend against the yen is also downward. After reaching a peak as Bear Stearns' problems were hitting the headlines, Japan's currency subsequently deteriorated as a breath of renewed optimism came up (Graph 9). However, more bad news is on the way, which could put the yen back on its down trend. But with the bulk of the crisis now apparently behind us, it would be surprising for the greenback to cross its support at 95.78 yens/US\$.



In our opinion, currencies that are tied to the evolution of commodities still hold the most potential, as the improvement in the terms of trade continues to benefit them. For now, the Canadian dollar is being affected by the U.S. slowdown and expectations of interest rate cuts in Canada. However, the loonie has been able to stabilize due to record oil prices. In the short term, the currency should stay on a slightly down trend, as the rate cuts anticipated by the markets are higher here than they are south of the border. However, Asian demand should help keep prices for energy and non-energy

commodities high, allowing the loonie to appreciate once the financial turbulence has dissipated.

The Australian dollar still has great potential. The region, which has been less affected by the U.S. slowdown, is still benefiting from the Chinese boom. However, some economic data are auguring a darkening of the outlook for growth. Therefore, despite elevated inflation, the Reserve Bank of Australia will remain on the sidelines until the end of this year. Nonetheless, as interest rates are 7.25%, the resolution of the financial crisis will be good for the return of carry trades, especially against the Japanese yen.

François Dupuis

Vice-President and Chief Economist

Martin Lefebvre

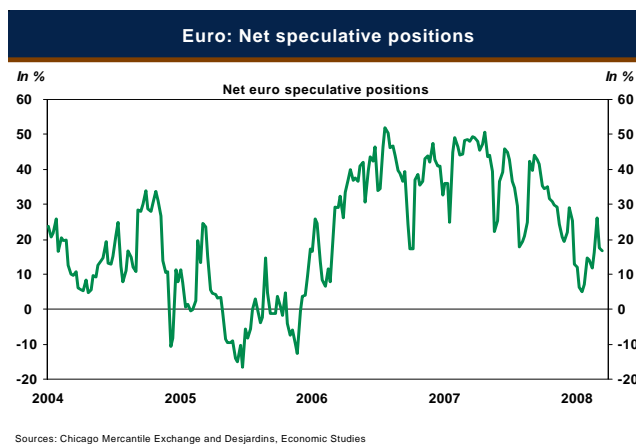
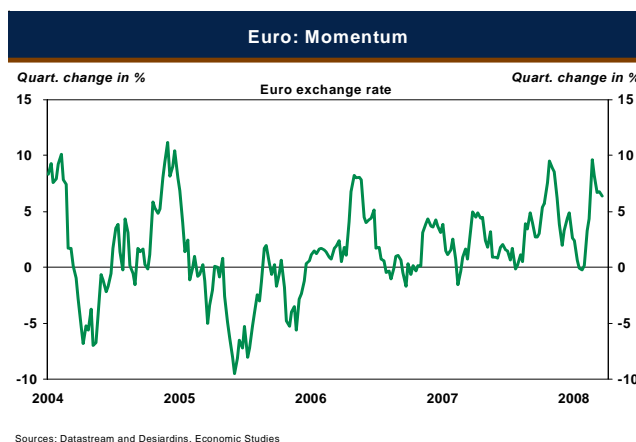
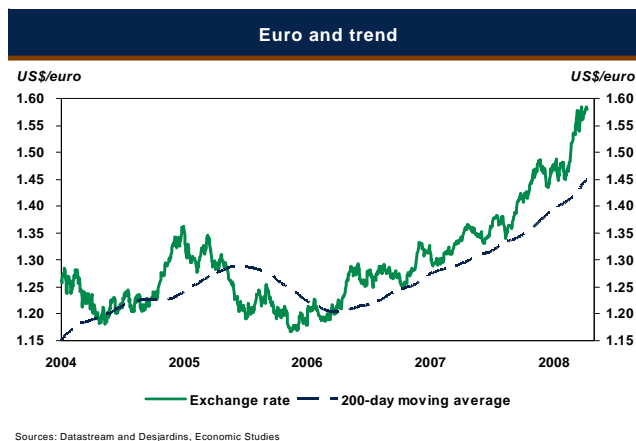
Senior Economist

EURO (EUR)

The euro could stay close to US\$1.60 for a while

- The euro appreciated sharply in recent weeks, nearing the US\$1.60/euro bar several times. Initially, it was the U.S. dollar's generalized weakness that provided the push the euro needed to finally cross US\$1.50 at the end of February. Since then, the main thing supporting the euro has been the European Central Bank's (ECB) stubbornness.
- In the near term, interest rate spreads should continue to give the euro support. In the last few weeks, the ECB's leaders have repeatedly stated that their only goal was to control inflation, which reached 3.6% in March, and that no monetary easing was in the picture. Yves Mersch even went so far as to say that the ECB could not allow itself to lower its key rate this year because inflation was likely to stay over the 2% target in 2009. Given the hard line, financial markets revised their expectations and are no longer anticipating any monetary easing in 2008.
- The rapid appreciation seen in the last few weeks has, however, pushed the euro well over its long-term trend, which could limit its potential for appreciation. Moreover, major resistance levels seem to have formed around US\$1.59/euro. Net speculative positions in this currency have steadily shrunk, however, and are now well below levels that would augur a correction. In this context, the euro could stand still for the next few months.
- The longer-term outlook is still unfavourable to the euro. Everything indicates that the euro zone economic slowdown that emerged in the last few months will continue. Here, the International Monetary Fund (IMF) is now predicting that the zone's real GDP growth will only be 1.4% this year and 1.2% in 2009. The next few quarters are looking especially difficult for European exporters, who will have to deal with a global economic slowdown and a very strong currency. What's more, once the Fed has completed its monetary easing, interest rate evolution should play against the euro.

Forecasts: The euro should continue to fluctuate between US\$1.55 and US\$1.60 in the next few months. After that, an end to U.S. key rate cuts and softening of the ECB's stance should help the euro to gradually decline.

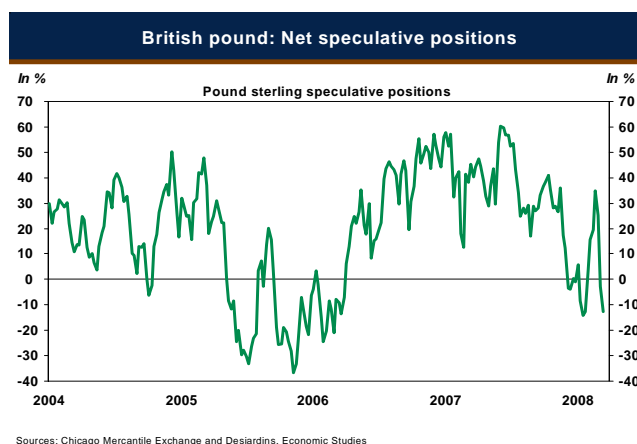
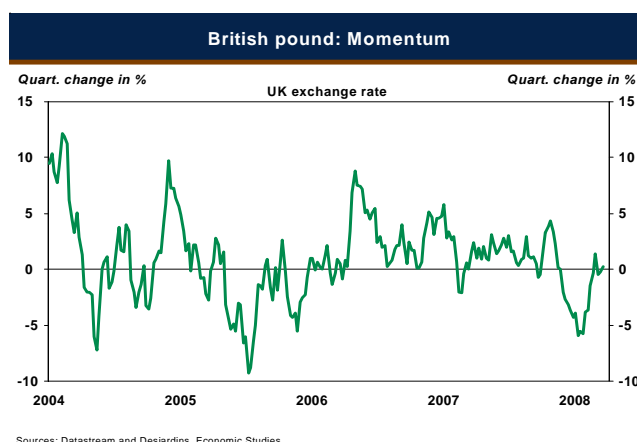
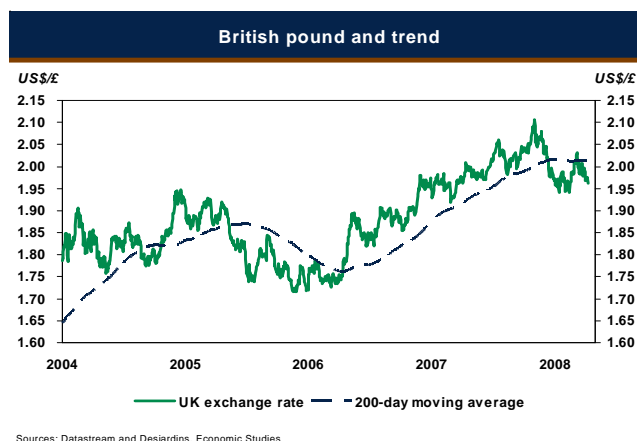


BRITISH POUND (GBP)

The Bank of England rate cuts hurt the pound

- Despite some sharp fluctuations, the pound sterling's trend has been fairly stable against the greenback in recent weeks. After rebounding to over US\$2 several times in March, the pound quickly came back toward US\$1.97. On April 10, the 25 basis point key rate cut ordered by the Bank of England (BoE), its third cut since December, confirmed that British monetary authorities were being much more proactive about the economic slowdown than their counterparts in the euro zone. The pound thus fell against the euro again.
- The short-term outlook for the pound is slightly negative. The problems in Britain's housing market are getting worse, with home prices now down on an annual basis. Also, a recent BoE survey confirmed that credit conditions in the United Kingdom are continuing to tighten. Fears of an overly deep economic slowdown should persuade the BoE to reduce its key rate again at the May meeting, before taking a break. This could make the pound retreat again slightly against the greenback and euro.
- Inflation's acceleration over the 2% target, however, is limiting the BoE's leeway. The annual inflation rate was 2.5% in March, and could go to 3% in the next few months. The inflation pressures are coming from external factors, however, especially from the surge by commodities prices, and core inflation is a very low 1.2%. After jumping a few weeks ago, speculative positions slid back into negative territory when it became clear that inflation would not completely tie the BoE's hands.
- Over the longer term, the trend could remain slightly negative for the pound against the greenback, especially if the housing market slowdown turns into a correction and forces the BoE to return to monetary easing in the second half of 2008. Monetary authorities' preventive action and the major competitive edge the EURGDP's surge to over 0.80 gives to British exporters will provide the British economy with some support, however.

Forecasts: The pound sterling could slowly depreciate against the greenback over the coming quarters. It could close in on US\$1.95 by the end of the summer. It could continue to retreat against the euro for the next few weeks but, over the medium term, the pound should regain some of the lost ground.

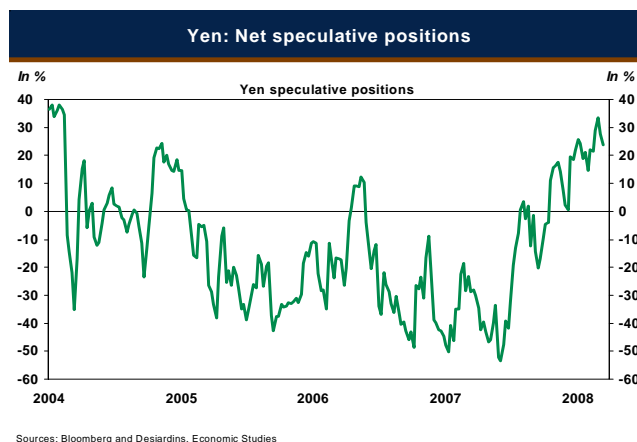
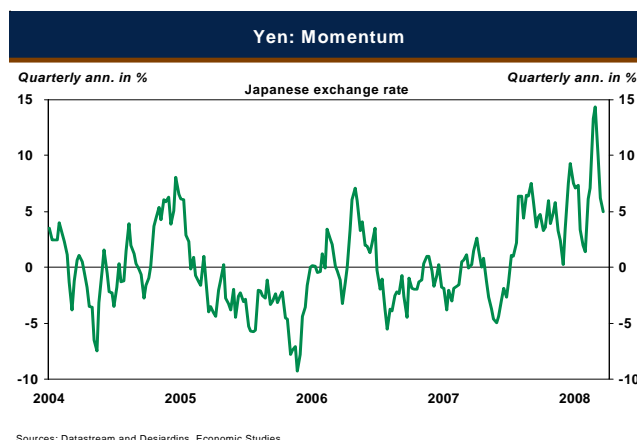
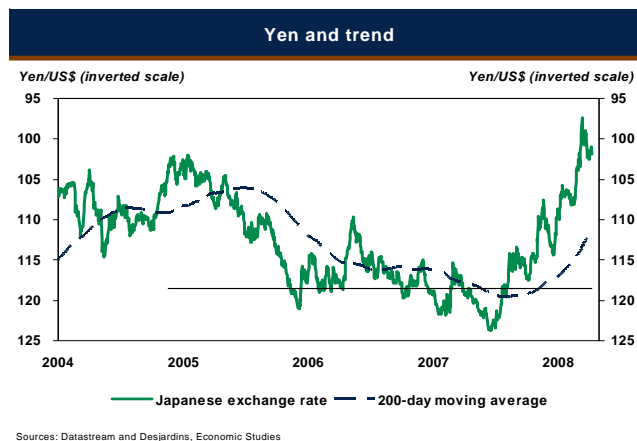


YEN (JPY)

The yen is a victim of the markets' mood

- The yen has been highly volatile in recent weeks. After oscillating between 106 and 108 yens/US\$ for almost all of February, the exchange rate peaked at 95.78 yens/US\$ on March 17, then initiated a correction that took it to 102 yens in April.
- The bad economic and financial news reached a peak in mid-March, reducing risk's appeal even more and helping with the yen's rapid appreciation. Carry-trade transactions (which consist in borrowing in a low-yield currency (like the yen) and investing in a high-yield currency) are unwound when times are uncertain. However, the bail-out of Bear Stearns, a major U.S. investment bank, seems to have helped the markets get their optimism back.
- In the short term, market indicators are at levels compatible with a yen correction. Net positions on non-commercial yen contracts surged sharply at the end of March and are still high, despite the Japanese currency's recent correction. The apprehensions are the same if we look at momentum.
- The Japanese economy's structural weakness still favours a weak yen. 2008's economic growth will depend extensively on how strong the foreign trade sector is; for now, it is holding up against the U.S. economic slowdown. Weak consumer confidence and the drop by the Tankan index of major manufacturers points to modest contributions from consumption and investment. The increase in the costs of energy and commodities is also having a negative impact on Japan's economy. Industrial production is down 3.4% from the beginning of the year in Japan.
- Although the inflation rate is up, the Bank of Japan's (BoJ) new Governor, Masaaki Shirakawa, should favour having the BoJ stay on the sidelines for a few more months. A reading of the minutes of the monetary policy meeting on March 6 and 7 shows that the tone continues to favour an interest rate increase, calming speculation around a possible Japanese rate cut. In the near future, interest rate movements in the United States are what is most likely to affect the yen/U.S. dollar exchange rate.

Forecasts: The expected return of risk appetite should help bring the yen down on the exchanges. Also, the Japanese economy's fundamentals still favour a weak yen. The exchange rate could run into technical resistance at 106 yens/US\$, however.

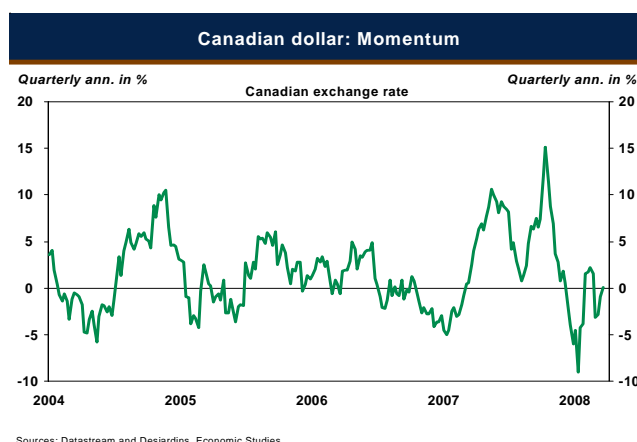
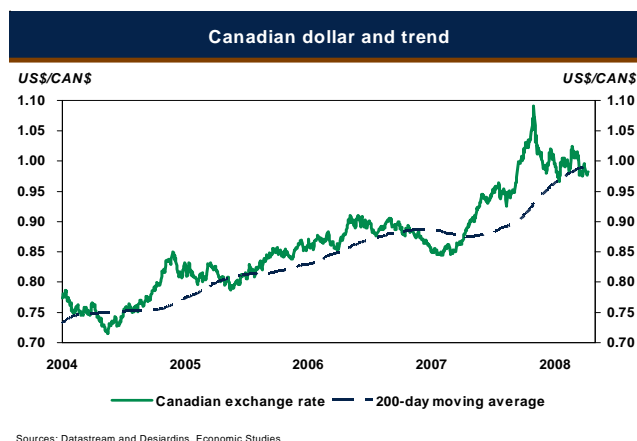


CANADIAN DOLLAR (CAD)

The Canadian dollar is grappling with headwinds

- The Canadian dollar is moving on a slight down trend against the U.S. dollar. After having oscillated close to parity for the first few months of the year, the loonie has begun to correct on market expectations about a closing of the spread between Canadian and American interest rates. Fears of contagion effects associated with the economic slowdown in the United States are still affecting in the loonie, but the damage is being offset by the record price of oil per barrel.
- On a market basis, expect the currency to continue to fluctuate in a tight range, just below parity, over the next few months. The loonie is oscillating on its long-term trend, and net positions on non-commercial Canadian dollar contracts (a measure of market speculation) have returned to almost zero, suggesting there will be a period of stabilization.
- Although Canada's domestic demand is still showing signs of decoupling, the proximity of Canada and the United States is still hurting the loonie. The 232,000 jobs lost since the year began and tumble by U.S. household confidence in March have added to the signs of a pronounced slowdown south of the border. Given the impact of U.S. demand for Canadian export products, the markets expect Canada's monetary easing to play catch-up.
- Worried about the downside risks associated with the U.S. slowdown, the strong loonie and tightening credit conditions, the Bank of Canada (BoC) lowered its key rate by 50 basis points to 3.50% on March 4, and it is very likely that more cuts will be ordered over the next few months. Evolution by wages and oil prices is a concern, but the ebbing of pressure on Canada's production capacity should allow inflation to decelerate, giving the BoC all the leeway it wants to further cut its key rates.
- However, elevated oil prices will continue to provide the currency with solid support. Crude's current level, at more than US\$110/barrel, seems overvalued given the fundamentals, and we expect the prices to correct in the next few months. But even a decline to around US\$90 a barrel would be compatible with a loonie that is close to parity.

Forecasts: In the short term, the loonie should remain on a slightly down trend, going to just below parity.

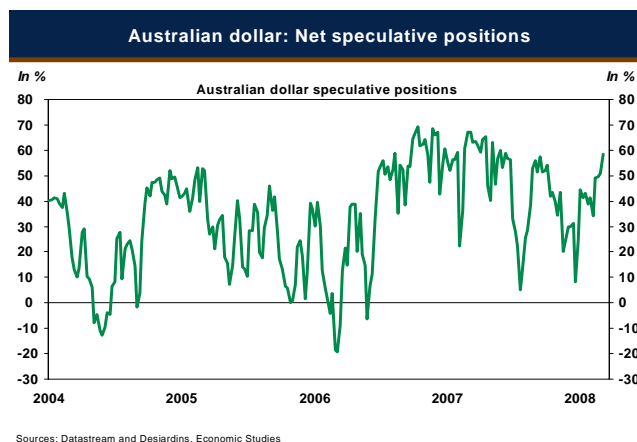
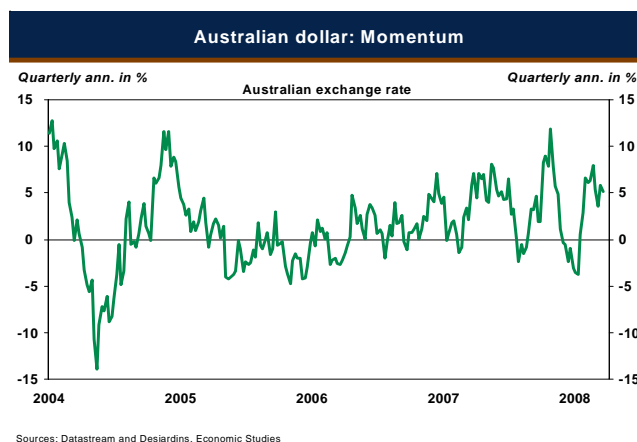
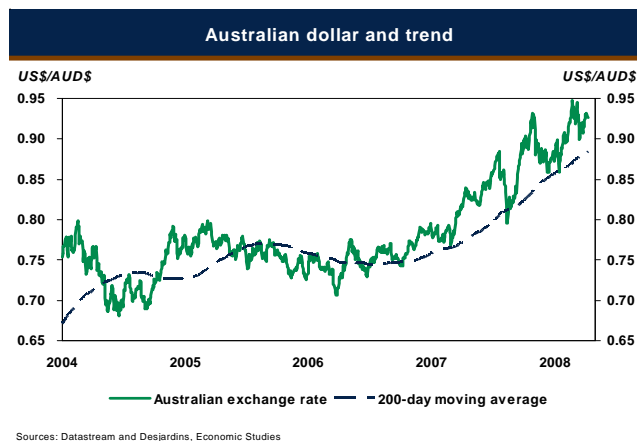


AUSTRALIAN DOLLAR (AUD)

The Australian dollar's stability depends on commodity price stability

- Stimulated by high prices for gold and other commodities, the Australian dollar's exchange rate reached a peak of US\$0.9478/AU\$ on February 28. However, the gains proved ephemeral, as the currencies that are tied to the evolution of raw materials prices were hit by the commodities price correction. At its lowest point, Australia's currency descended to US\$0.8997 on March 20, but came back over US\$0.93 on a trend reversal.
- In the short term, market indicators show that the door is still open for an Australian dollar correction. Net positions on non-commercial Australian dollar contracts are close to levels that are compatible with the currency being overvalued. Momentum measures are also moving at high levels, which could indicate a potential trend reversal for the Australian dollar.
- Commodities' prices have come back up lately, giving the Australian dollar support again, but they could come back down if the economic slowdown spreads to emerging nations that are major commodities consumers. The renewed risk appetite that followed the bail-out of U.S. investment bank Bear Stearns gave the currency a boost, which is benefiting from carry trade transactions due to Australia's high interest rates. Here, against the background of elevated inflation, the central bank once again raised the cost of money, taking its main key rate to 7.25% in March, a 12-year peak.
- However, it now appears less and less likely that the central bank will continue with monetary easing. The publication of Australian economic data shows that the previous interest rate increases are starting to take effect. From the third to fourth quarters, economic growth was 0.6%, vs. 1.1% from the second to third quarter. Retail sales have been down since the year began and, in February, growth for mortgage and investment loans was negative. The interest rate spread between the greenback and Australian dollar should widen again, however, as more rate cuts are expected in the United States by the time spring ends. This will give the Australian dollar good support for a few more months.

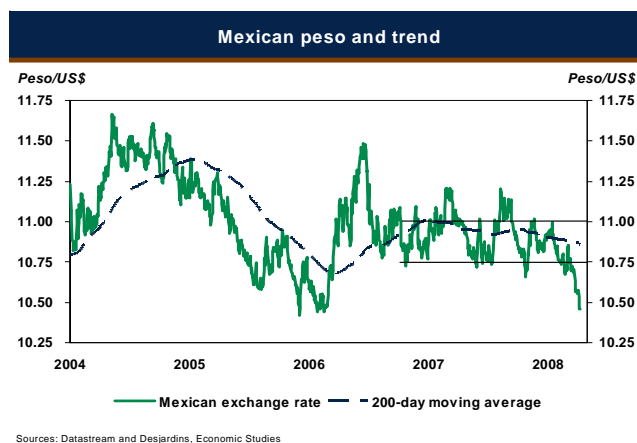
Forecasts: The U.S. slowdown should be short-lived, and should not affect the emerging nations, which will support commodities prices and the Australian dollar. The interest rate spread is favouring Australia's currency. The exchange rate should hold around US\$0.93/AU\$ until the end of this quarter.



MEXICAN PESO (MXN)

Is the Mexican peso about to correct?

- Like the Canadian dollar, Mexico's peso was affected by the signs of an U.S. slowdown in March. However, the Mexican government announced a 50B peso plan to limit the impact of the U.S. slowdown. The corporate tax rate was cut by three points, and the government will pay 5% of the corporate social security tax, to promote employment. After having reached a cyclical low at 11 pesos/US\$, Mexico's currency thus appreciated to almost 10.50 pesos/US\$.
- Fundamental analysis shows that the recent gains could be reversed in the next few months. As the United States accounts for almost 85% of Mexico's export market, the U.S. slowdown does not augur well. What's more, though inflation is elevated, the monetary policy will have little impact on food prices, and Mexico's central bank is expected to stay on the sidelines.



CHINESE YUAN (RMB)

China's currency crosses the 7 yuans/US\$ mark, and keeps rising

- 2008's first quarter ended with the yuan up 4% against the greenback. The pace of appreciation slowed in February, then picked up again in March. On April 10, the exchange rate dropped below the 7 yuans/US\$ mark for the first time since January 4, 1994.
- The Chinese economy's fundamentals and international pressure continue to favour ongoing yuan appreciation. The way things are going, the currency should rack up gains of 12% to 16% against the U.S. dollar in 2008, which will still not be enough to ease global imbalances and close the Chinese economy's internal gaps. In March, China's exports grew 30.6% vs. 24.6% for imports, and its trade balance leapt to US\$13.41B. Inflation is still at a worrisome level, and a number of measures have been instituted to rein in monetary expansion in China. The banks' mandatory reserve ratio was once again raised 50 basis points, taking it to 15.50%.
- By the end of April, the exchange rate should be close to 6.95 yuans/US\$.

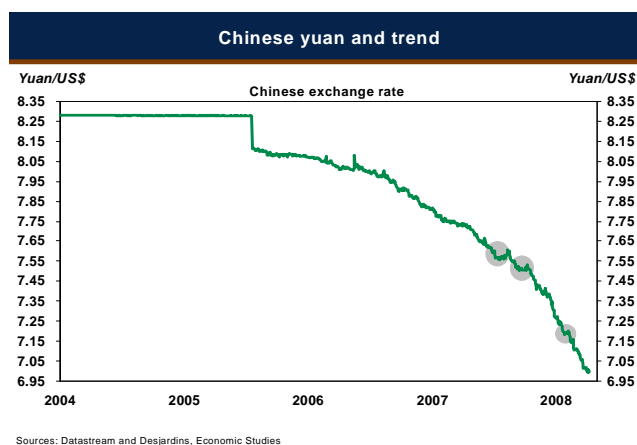


Table 1
Currency market

| Country – Currency* | Spot price | | Percentage return since | | | | Last 52 weeks | | |
|---------------------------|------------|---------|-------------------------|----------|--------|----------|---------------|---------|--|
| | Apr. 16 | 1 month | 3 months | 6 months | 1 year | Higher | Average | Lower | |
| North America | | | | | | | | | |
| Canada – dollar | 1,0036 | 1,69 | -2,08 | 2,46 | -11,26 | 1,1309 | 1,0270 | 0,9161 | |
| Canada – (CADUSD) | 0,9965 | -1,66 | 2,12 | -2,40 | 12,68 | 1,0916 | 0,9737 | 0,8843 | |
| Mexico – peso | 10,4555 | -2,85 | -4,53 | -3,59 | -4,86 | 11,2456 | 10,8540 | 10,4555 | |
| South America | | | | | | | | | |
| Argentina – peso | 3,1625 | 0,60 | 0,66 | -0,04 | 2,41 | 3,1838 | 3,1323 | 3,0705 | |
| Brazil – real | 1,6714 | -2,01 | -5,81 | -8,42 | -17,68 | 2,1025 | 1,8418 | 1,6630 | |
| Asia | | | | | | | | | |
| China – yuan renminbi | 6,9932 | -1,39 | -3,32 | -6,99 | -9,54 | 7,7343 | 7,4279 | 6,9930 | |
| South Korea – won | 989,45 | -0,80 | 5,26 | 7,85 | 6,33 | 1 029,20 | 935,50 | 900,70 | |
| Hong Kong – dollar | 7,7939 | 0,16 | -0,04 | 0,48 | -0,23 | 7,8299 | 7,7977 | 7,7507 | |
| India – rupee | 39,8400 | -1,51 | 1,61 | 1,53 | -4,64 | 41,9805 | 40,0197 | 39,0755 | |
| Japan – yen | 101,79 | 2,52 | -5,27 | -12,92 | -14,95 | 123,82 | 113,52 | 97,39 | |
| Europe | | | | | | | | | |
| Denmark – krona | 4,6797 | -1,66 | -7,89 | -11,01 | -15,05 | 5,5986 | 5,2310 | 4,6797 | |
| Euro zone – (EURUSD) | 4,9664 | -2,80 | -8,37 | -8,19 | -16,87 | 6,1048 | 5,5882 | 4,9664 | |
| Norway – kroner | 1,9759 | -2,63 | 0,56 | -2,76 | -0,71 | 2,1082 | 2,0074 | 1,9406 | |
| Russia – ruble | 23,3558 | -1,22 | -4,49 | -6,38 | -9,44 | 26,0452 | 24,9565 | 23,3558 | |
| Sweden – krona | 5,8877 | -2,43 | -8,51 | -8,82 | -13,57 | 7,0809 | 6,5324 | 5,8877 | |
| Switzerland – swiss franc | 0,9987 | -0,82 | -8,99 | -15,62 | -17,67 | 1,2453 | 1,1500 | 0,9860 | |
| United Kingdom – (GBPUSD) | 1,5951 | 2,21 | 8,63 | 12,68 | 17,73 | 1,5951 | 1,4275 | 1,3304 | |
| South Pacific | | | | | | | | | |
| Australia – (AUDUSD) | 0,9395 | 0,22 | 6,85 | 5,60 | 12,85 | 0,9478 | 0,8715 | 0,7950 | |
| New Zeland – (NZDUSD) | 0,7928 | -2,51 | 3,02 | 5,95 | 7,17 | 0,8175 | 0,7615 | 0,6875 | |

* In comparison with the U.S. dollar, unless otherwise indicated.
Note: Currency table base on previous day closure.

Table 2
Currency market: History and forecasts

| End of period | 2007 | | 2008 | | | | 2009 | | | |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Q3 | Q4 | Q1 | Q2f | Q3f | Q4f | Q1f | Q2f | Q3f | Q4f |
| American dollar | | | | | | | | | | |
| Canadian dollar (USDCAD) | 0,9944 | 0,9979 | 1,0259 | 1,0309 | 1,0000 | 0,9756 | 1,0000 | 1,0204 | 0,9804 | 0,9524 |
| Euro (EURUSD) | 1,4222 | 1,4620 | 1,5846 | 1,5500 | 1,4400 | 1,4000 | 1,3600 | 1,3200 | 1,3000 | 1,3200 |
| British pound (GBPUSD) | 2,0471 | 1,9865 | 1,9833 | 1,9400 | 1,9300 | 1,9300 | 1,9100 | 1,9000 | 1,9000 | 1,9200 |
| Yen (USDJPY) | 114,80 | 111,69 | 99,91 | 102,00 | 108,00 | 106,00 | 104,00 | 102,00 | 100,00 | 98,00 |
| Australian dollar (AUDUSD) | 0,8885 | 0,8755 | 0,9137 | 0,9400 | 0,9200 | 0,9000 | 0,8800 | 0,8700 | 0,8500 | 0,8500 |
| Mexican peso (USDMXN) | 10,94 | 10,92 | 10,64 | 11,00 | 11,25 | 11,35 | 11,25 | 11,15 | 11,10 | 11,00 |
| Chinese yuan (USDRMB) | 7,51 | 7,31 | 7,01 | 6,80 | 6,60 | 6,40 | 6,21 | 6,02 | 5,84 | 5,67 |
| Effective dollar* (73 = 100) | 74,38 | 70,27 | 70,31 | 70,00 | 71,12 | 72,34 | 73,00 | 75,22 | 75,25 | 74,30 |
| Canadian dollar | | | | | | | | | | |
| American dollar (CADUSD) | 1,0056 | 1,0021 | 0,9748 | 0,9700 | 1,0000 | 1,0250 | 1,0000 | 0,9800 | 1,0200 | 1,0500 |
| Euro (EURCAD) | 1,4143 | 1,4589 | 1,6256 | 1,5979 | 1,4400 | 1,3659 | 1,3600 | 1,3469 | 1,2745 | 1,2571 |
| British pound (GBPCAD) | 2,0357 | 1,9823 | 2,0346 | 2,0000 | 1,9300 | 1,8829 | 1,9100 | 1,9388 | 1,8627 | 1,8286 |
| Yen (CADJPY) | 115,44 | 111,92 | 97,39 | 98,94 | 108,00 | 108,65 | 104,00 | 99,96 | 102,00 | 102,90 |
| Australian dollar (AUDCAD) | 0,8836 | 0,8737 | 0,9373 | 0,9691 | 0,9200 | 0,8780 | 0,8800 | 0,8878 | 0,8333 | 0,8095 |
| Mexican peso (CADMXN) | 11,00 | 10,94 | 10,37 | 10,67 | 11,25 | 11,63 | 11,25 | 10,93 | 11,32 | 11,55 |
| Chinese yuan (CADRMB) | 7,5521 | 7,3254 | 6,8333 | 6,5960 | 6,6000 | 6,5600 | 6,2100 | 5,8996 | 5,9568 | 5,9535 |

f: forecasts; * Trade-weighted against major U.S. partners.

Sources: Datastream, Federal Reserve Board and Desjardins, Economic Studies