

The situation is improving... at a snail's pace High volatility remains favourable to the greenback

HIGHLIGHTS

USD index: In the short run, the greenback will continue to benefit from the financial turmoil. Government measures are starting to bear fruit, but uncertainty is still at hand. As the crisis has spread worldwide, the American dollar will keep its safe-haven status, but the mammoth increase in U.S. debt could trigger a greenback correction over the longer term.

USD/CAD: The loonie is being pummelled by the drop in energy and non-energy commodity prices. In our opinion, the pressure is still to the downside and the greenback could easily end the year above C\$1.25. Incursions to over C\$1.30 are possible.

EUR/USD: The euro's fundamentals will remain negative for the next few months as the economic problems will persist and the European Central Bank will continue to lower its key rate rapidly.

GBP/USD: The pound could pull back a little further over the short term but, in our opinion, the bulk of its correction is behind us.

USD/JPY: It is too early to sell yen. Edgy markets do not seem to be ready to relax and the yen could make further gains in the near future.

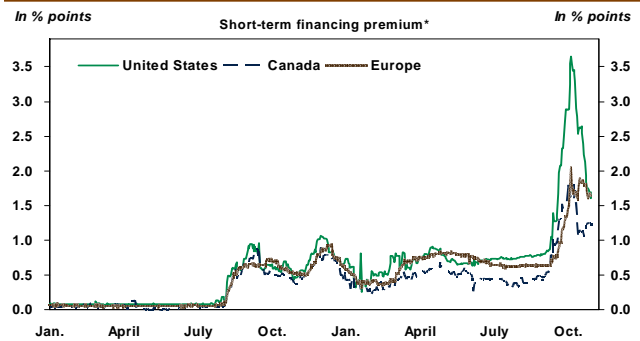
CONTENTS

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

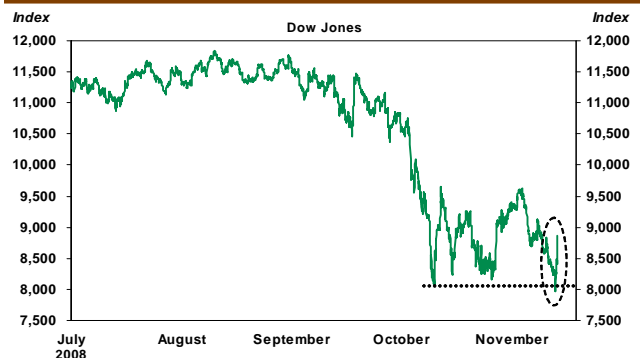
The economic and financial context is still uncertain, but unprecedented efforts by the governments of industrialized countries are starting to bear fruit. Rate spreads in the interbank market are resolving (graph 1) and, despite record volatility, the U.S. stock market has not dropped under its October low (graph 2), raising some hope that the worst may finally be behind us.

Graph 1 – Financing spreads are gradually resolving...



* Spread between the three-month Libor rate and overnight swap rates.
Sources: Bloomberg and Desjardins, Economic Studies

Graph 2 – ...and the stock market seems to be holding up!



Sources: Bloomberg and Desjardins, Economic Studies

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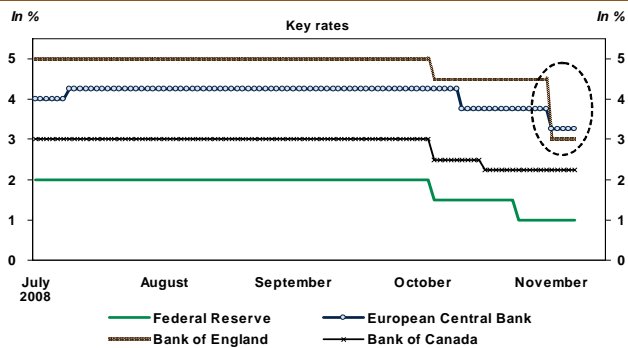
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Nothing is certain, however, and monetary and fiscal authorities will have to keep working. The aggressive interest rate cuts ordered in industrialized economies are one step in the right direction. Since the concerted 50 basis point cut ordered on October 8, the European Central Bank and Federal Reserve (Fed) have eased their monetary policy by another 50 basis points, whereas the Bank of England ordered a surprisingly aggressive 150-point cut (graph 3).

Graph 3 – Europe’s central banks get busy

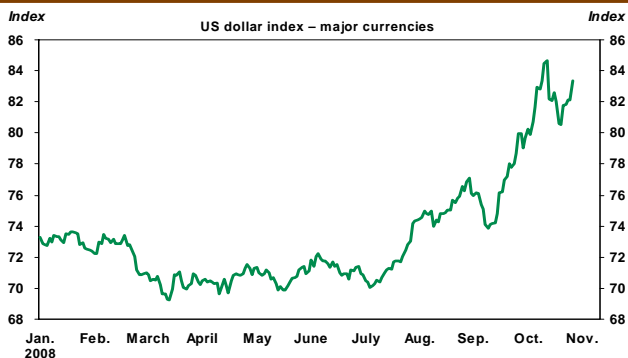


Sources: Datastream and Desjardins, Economic Studies

The U.S. government measures that are designed to stabilize the housing market directly are another important step. On Tuesday, the Federal Housing Finance Agency announced that it intended to streamline refinancing for hundreds of thousands mortgages in default held by Fannie Mae and Freddie Mac. The essence of the approach is to ensure that struggling households are able to make their mortgage payments over the long haul.

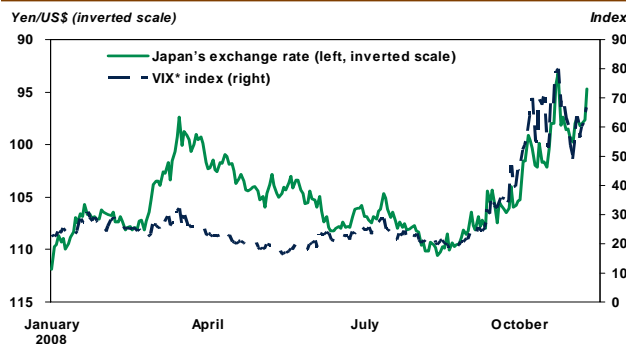
Yet the global economy is poised to enter an era of deleveraging and increased savings, and it is hard to say how long the adjustment mechanisms will last. As long as the climate of uncertainty persists, the situation will favour the greenback (graph 4), due to its status as a safe-haven

Graph 4 – The greenback keeps its safe-haven status



Sources: Datastream and Desjardins, Economic Studies

Graph 5 – Risk aversion benefits the yen



* Implicit volatility of the S&P500 stock index.
Sources: Datastream and Desjardins, Economic Studies

security, and the yen, due to repatriation of capital on the unwinding of carry trades (graph 5).

One of the key points to watch could be the developments in emerging nations. The Chinese government’s US\$586B stimulus plan appeared to reassure the markets that demand for raw materials would stay afloat, but its impact proved to be temporary. Note that the need for intervention from the Chinese government sends a clear signal that emerging economies will not be spared. As a result, capital repatriation could continue, increasing the upside pressure on the greenback (graph 6).

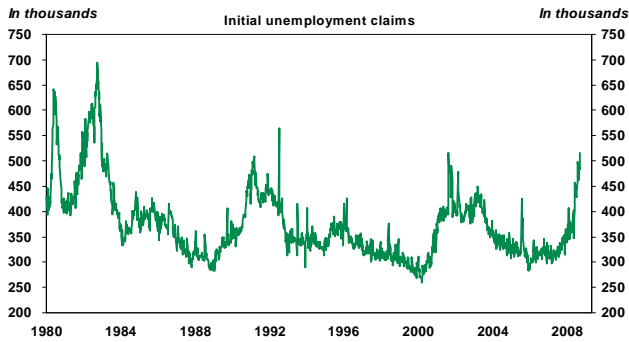
Graph 6 – Demand for American government securities is elevated



* Total over 12 months.
Sources: Datastream and Desjardins, Economic Studies

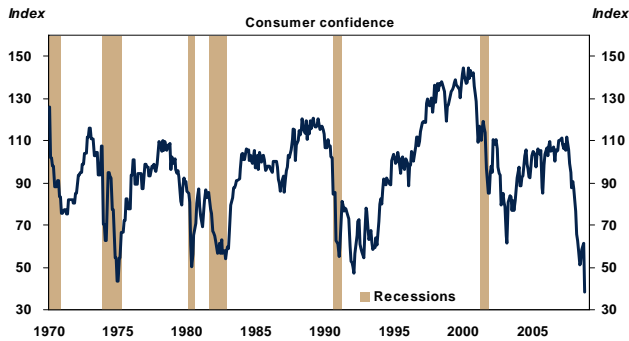
Over the longer term, we are confident that the financial turmoil will give way to economic difficulties. At that time, events will surely have tipped against the American dollar. Note that, with the drastic tightening of credit conditions, the employment market’s deterioration (graph 7), and the unprecedented nosedive by household sentiment, the Fed appears to be poised to maintain a highly accommodative policy for a long time. As a result, nothing points to a strong currency for the American economy (graph 8).

Graph 7 – The labour market deterioration continues



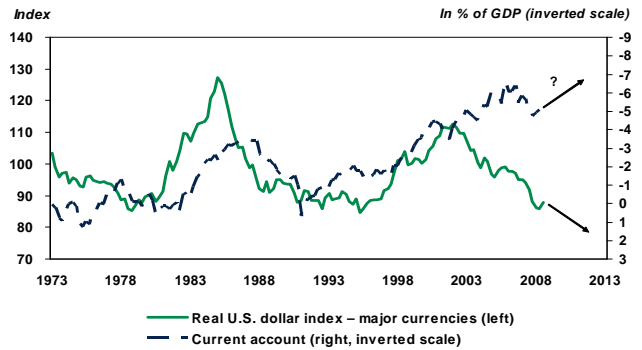
Sources: Datastream and Desjardins, Economic Studies

Graph 8 – Consumer confidence is at the lowest point ever recorded



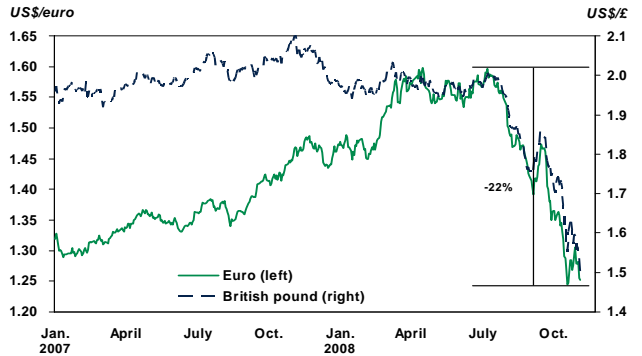
Sources: Institute for Supply Management and Desjardins, Economic Studies

Graph 9 – An increase in the current account deficit would put downside pressure on the greenback



Sources: Datastream and Desjardins, Economic Studies

Graph 10 – European currencies are freefalling



Sources: Datastream and Desjardins, Economic Studies

Another key point is the substantial increase in U.S. debt that is projected for 2009 and 2010 (between US\$1,000B and US\$2,000B), in connection with the economic and financial stimulus plans. As debt must be financed by an increase in domestic savings or by foreign investors, American securities will have to appeal to investors either through higher long-term interest rates (increase in compensation) or through depreciation of the greenback (lower prices for foreign investors). In our opinion, with the potential deflation risks, high-quality securities will remain popular and the adjustments will probably impact the American dollar. History has shown us that the United States had the capacity to sustain large current account deficits, but high levels have always come with a greenback correction (graph 9). This situation may be different, in that there few currencies appear to be in a position to takeover from the American dollar.

The European currencies seem to be oversold (graph 10), and there could be a technical rebound if the financial strains ease off. However, we are more inclined to think that, at current levels, much of the coming monetary easing has already been anticipated. As a result, any rebound will be ephemeral and

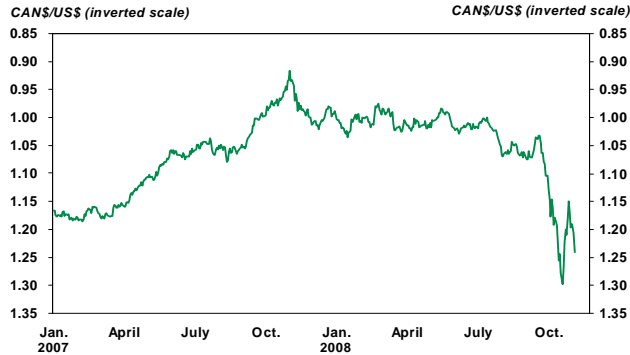
more aggressive interest rate cuts than forecast could even start the euro and pound sterling on a downward path by the beginning of 2009.

While Canada’s financial institutions are better capitalized, mortgage loans are of better quality and consumer credit conditions have not tightened as much as in the United States, Canada’s currency is still being hurt by the impacts of the global economic slowdown. After peaking at C\$1.26 recently, the USD/CAD pair has depreciated somewhat, but the general trend is still upward (graph 11).

Note that the loonie is short on support. The global slowdown combined with the greenback’s strength is translating into a sharp correction in energy and non-energy commodities prices. Despite a rebound in the early part of November, the prices of almost all commodities are now down from where they were at this time last year. Oil prices crossed the US\$60/barrel mark for the first time since 2007, and there is nothing to indicate that a rebound is imminent (graph 12).

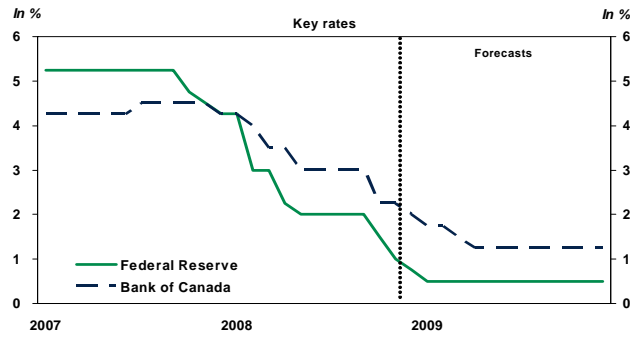
Parallel to that, our interest rate scenario is unfavourable to the loonie. We are, of course, also anticipating rate cuts in

Graph 11 – The Canadian dollar has rebounded, but the pressure is still downward



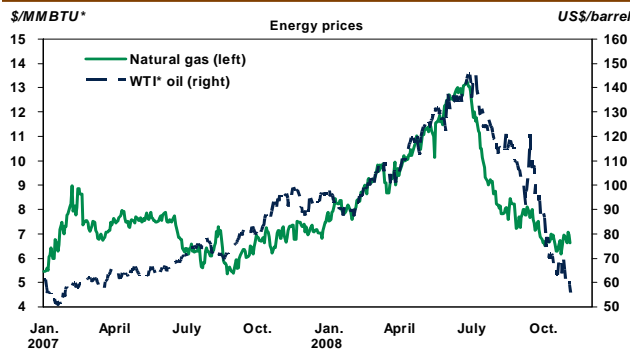
Sources: Datastream and Desjardins, Economic Studies

Graph 13 – The interest rate spread should shrink by mid-2009



Sources: Datastream and Desjardins, Economic Studies

Graph 12 – Crude prices under US\$60/barrel



* Million British Thermal Units; ** West Texas Intermediate.
Sources: Datastream and Desjardins, Economic Studies

the United States, but Canada, at 2.25%, has more leeway to lower its key rate. The sharp pullback by oil prices means that inflation pressures have completely dissipated and the deepening output could prod the Bank of Canada to lower its key rate to a historic 1.25% in the first half of 2009 (graph 13). This would not do a thing to set the loonie on the path toward new peaks.

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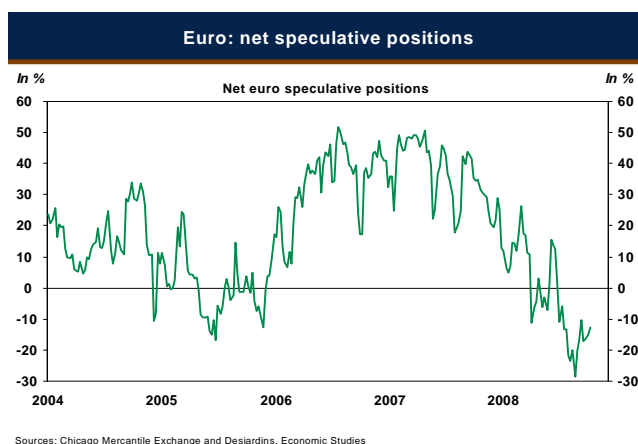
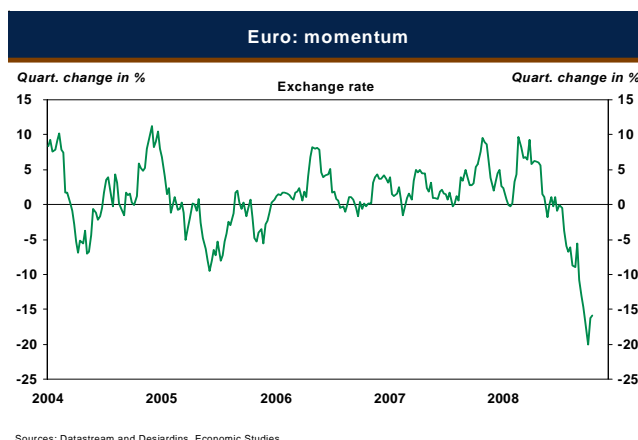
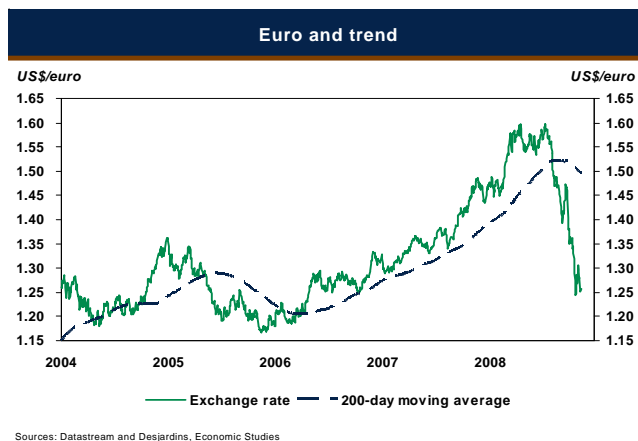
Martin Lefebvre
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EURO (EUR)

The pressure on the euro is still to the downside

- The euro has continued to correct since mid-October. Euroland's currency reached a more than two-year low at US\$1.2331 during trading on October 27, then edged back above US\$1.25. The EUR/USD pair's movement is currently highly influenced by investor sentiment. The euro goes up when optimism comes back to the markets and stock markets climb and, conversely, it goes down against the greenback when pessimism wins out.
- Although they have gone up slightly in the last few days, market indicators continue to signal that the euro is oversold. Net speculative positions are still well into negative territory, as is momentum, which could theoretically indicate that a technical rebound is imminent. However, in this context, the rebound could be small and a consolidation period seems likelier.
- The euro zone's economic situation is still deteriorating rapidly. The financial crisis is hitting European banks hard and making credit tighten. Europe's financial institutions also seem to be highly exposed to the emerging economies, which have been running into substantial trouble in the last few weeks. Activity and confidence indicators continue to deteriorate quickly; the economic accounts have just confirmed that the euro zone is in recession. Real GDP contracted by 0.2% in Q3 (non-annualized), following a similar decline the preceding quarter. The next few months will remain tough; the European Commission is projecting economic growth of just 0.1% for 2009.
- Under the circumstances, the European Central Bank (ECB) continued with monetary easing, lowering its key rate by 50 basis points at its November 6 meeting. At the meeting, the possibility of a 75-point cut was even discussed and the door is wide open to further cuts over the coming months.

Forecasts: The euro's fundamentals will remain negative for the next few months as the economic problems will persist and the ECB will continue to lower its key rate rapidly. However, the exchange market has already made a big adjustment to reflect this situation. In our opinion, the EUR/USD could now oscillate close to its current level for several months. Short-term movements by the euro will continue to reflect the evolution of overall market sentiment.

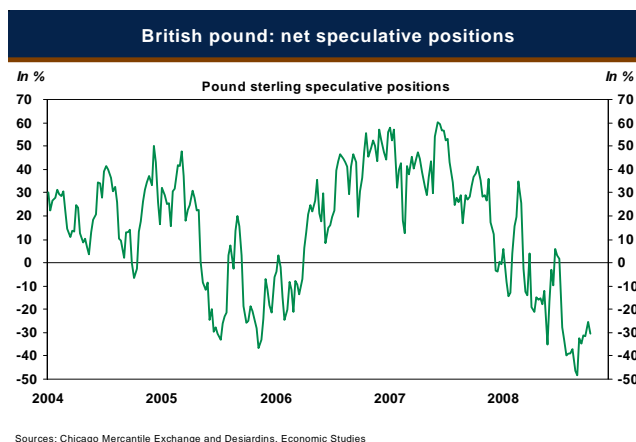
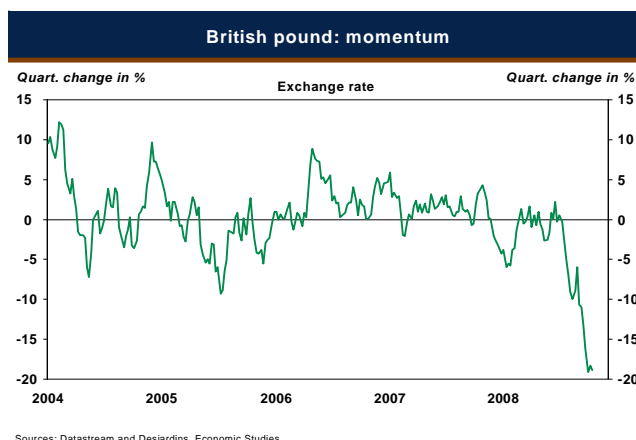
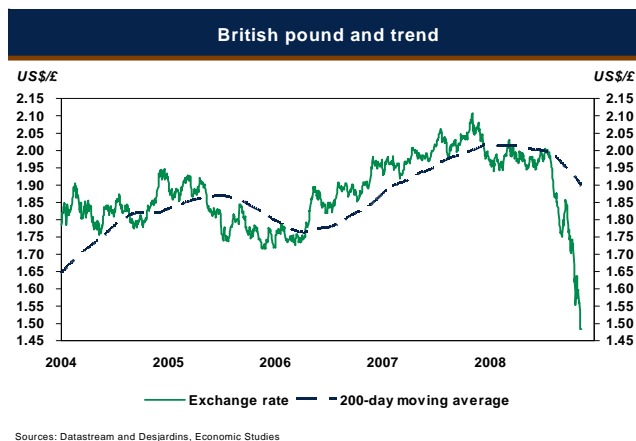


BRITISH POUND (GBP)

Vigorous monetary easing hurts the pound

- The pound sterling has once again come down sharply in the last few weeks. The 150 basis point cut to Britain's key rate in early November and the release of the Inflation Report, which clearly states that monetary easing will continue, helped take the pound below US\$1.50 for the first time in over six years. The pound also retreated against the euro, and the EUR/GBP reached a new historic peak at over 0.86.
- Market indicators show the degree to which sentiment has turned against the pound sterling. The momentum is almost as negative as it was after the pound was withdrawn from the European Exchange Rate Mechanism in 1992. Net speculative positions in the pound are still highly negative—around -30%—but the level is not as extreme as it was in mid-September, when it came close to -50%. The pound's correction thus seems advanced, but a major rebound is unlikely in the near future.
- The outlook for Britain's economy is particularly grim. The financial crisis gave Britain's large financial sector a stunning blow, forcing the government to take vigorous action to avoid numerous bankruptcies. Tightened credit conditions are affecting consumption, as British households must also cope with a rapid drop in the value of their homes and shares. Limited access to credit and a poor outlook for demand are also hitting business investment hard. After Q3's non-annualized 0.5% pullback, Britain's economy is heading for a major recession.
- November's Inflation Report shows that the Bank of England (BoE) is fully aware of the British economic situation. The BoE slashed its economic outlook following what it has called the most serious banking crisis since World War I broke out. If the key rate were to remain stable at 3%, a low point that dates back to the 1950s, the BoE forecasts that GDP would continue to contract and inflation would drop well below the 2% target over the mid-range. In this context, the monetary authorities "are prepared to cut the bank rate to whatever level is necessary."

Forecasts: Britain's key rate will continue to decline over the quarters to come; the speed and magnitude of the cuts could again surprise markets. The pound could pull back a little further over the short term but, in our opinion, the bulk of its correction is behind us. This currency should, overall, fluctuate around US\$1.50 for the months to come.



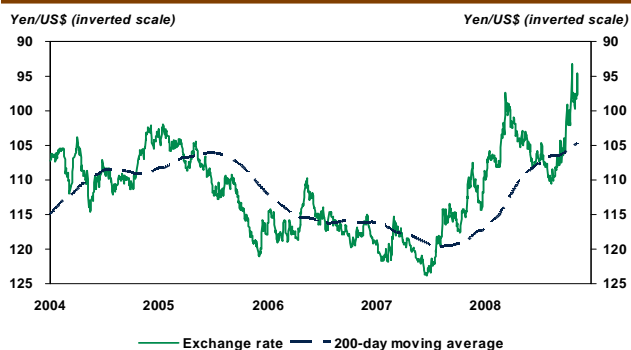
YEN (JPY)

No break for the strong yen

- The uncertainty that has been reigning in the financial markets due to the financial crisis is buoying the yen's value. On October 24, the exchange rate reached a cyclical low of 90.93 yen/US\$. Concerned about the situation, the G7 countries opened the door to intervention in the exchanges and the Bank of Japan opted for an interest rate cut. Still, since early November, the Japanese exchange rate no longer seems to be able to climb back over the 100 yen/US\$ mark.
- The yen's appreciation seems exaggerated, according to market indicators. Net speculative positions and momentum are at levels that are compatible with a correction in the near future. However, as long as financial strains continue in the markets and carry trade positions continue to be unwound, there is not much likelihood that the yen will correct substantially.
- The yen's strength runs counter to the Japanese economy's softness. The drop in prices for oil and commodities is helping Japan by, among other things, helping to improve the terms of trade; however, Japan's foreign trade sector—its main economic driver for years now—is under heavy fire due to the global economic slowdown. A few economic statistics, including industrial production and the jobless rate, were less negative in September, but less stellar figures are expected to be back in the coming months. Consumer and business confidence are historically low and, given that several economies are going to be in recession, the outlook for Japan is grim. The latest projections from the International Monetary Fund (IMF) call for Japan's real GDP to contract by 0.2% in 2009.
- The yen's appreciation and intensified economic and financial difficulties prodded the central bank to lower its key rate by 20 basis points: it's first such move in seven years. We cannot expect the cut to really solve Japan's problems, or even more so to make any substantial changes in the spread between Japanese and American interest rates. Still, it does send a positive signal to the markets and is an adjustment with respect to the growing deflationary pressure. With fresh food and energy excluded, Japan's prices only grew an annual 0.2% in September, and it is increasingly likely that we will see deflation return.

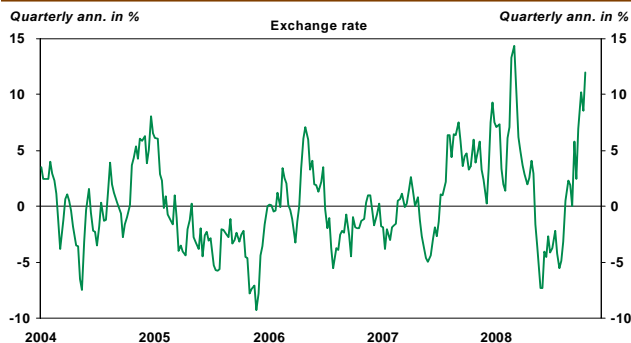
Forecasts: The markets' edginess does not appear to be poised to ease; wait before selling any yen. There is a possibility that this currency could record further gains against the American dollar in the near future. Once calm is restored, Japan's currency should return to levels that are more in line with its economy's weakness.

Yen and trend



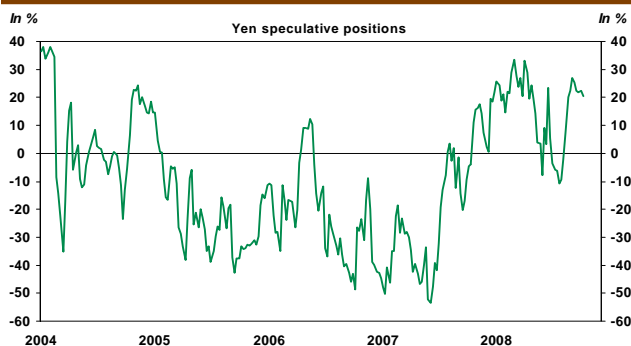
Sources: Datastream and Desjardins, Economic Studies

Yen: momentum



Sources: Datastream and Desjardins, Economic Studies

Yen: net speculative positions



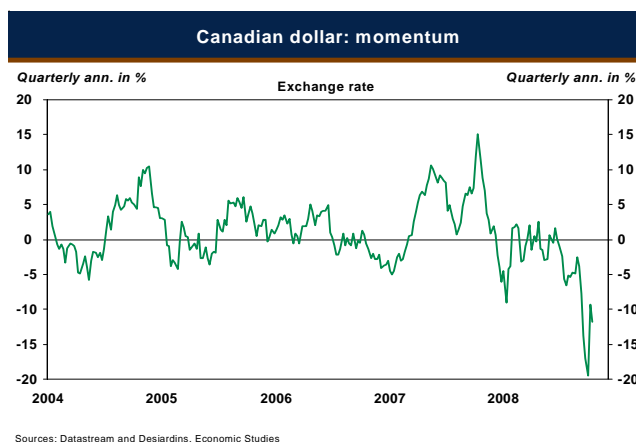
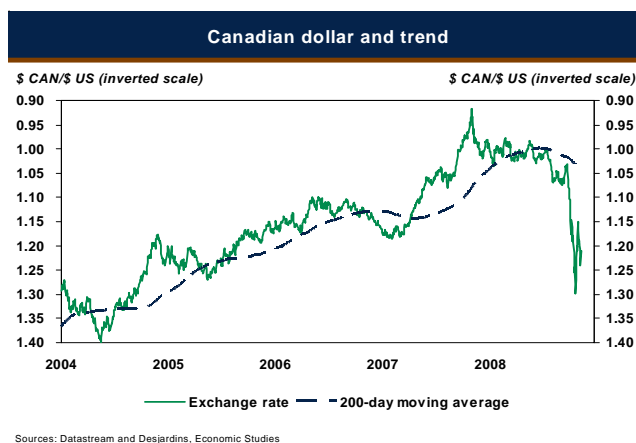
Sources: Bloomberg and Desjardins, Economic Studies

CANADIAN DOLLAR (CAD)

Pressure on the loonie is still downward

- Financial and economic developments continue to pummel the loonie. After crossing the C\$1.30 mark on October 28 for the first time since September of 2004, the USD/CAD has corrected sharply. The losses were ephemeral, however, with the greenback quickly closing in on C\$1.25 in the next few days due to the problems in the financial markets.
- On a market basis, the recent correction took the Canadian dollar sufficiently below its long-term trend to levels that have been compatible with a currency rebound in the last few years. However, the fundamentals are not yet in place to justify substantial appreciation by the currency.
- Over the short term, for the loonie, the risks are tilted to the downside. In October, the Bank of Canada (BoC) slashed its projections for inflation and economic growth, but the risks are still tilted to the downside. After a concerted 50 basis point cut on October 8, the BoC continued to ease its monetary policy with another 25 basis point cut at the end of the month which took the key rate to 2.25%. The door is also open to further rate cuts. We now believe that the BoC will have to ease its monetary policy more than the markets anticipate in order to limit the risk of a severe recession here. Rates could hit a historic low of 1.25% by April 2009.
- The federal Finance Minister has also put his shoulder to the wheel. Jim Flaherty tripled the financial institution mortgage purchase program to C\$75B to encourage the flow of credit.
- Moreover, there is nothing to indicate that oil prices will rebound or even stabilize in the near future. Soft worldwide demand for raw materials and the growing risk of a global recession are still a heavy drag on crude prices. The International Energy Agency (IEA) slashed its outlook for oil demand growth and now expects demand to grow by only 0.5% in 2008 and 0.8% in 2009.

Forecasts: In the short term, the loonie's movement will remain dependent on the U.S. slowdown's impact on Canada's economy, demand for commodities, interest rate expectations and market perception of a lasting rebound by the greenback. In our opinion, the pressure is still to the downside and the greenback could easily end the year above C\$1.25. Incursions above C\$1.30 are possible.



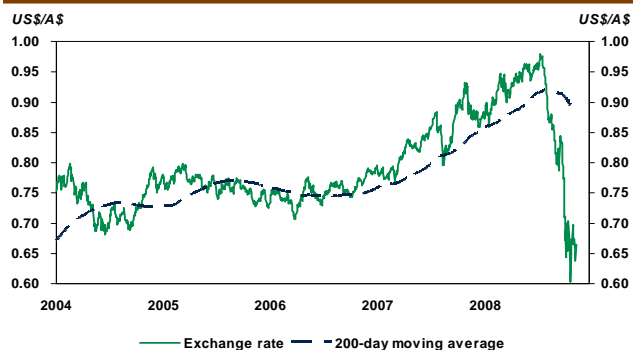
AUSTRALIAN DOLLAR (AUD)

The Australian dollar will remain weak

- The Australian dollar's tumble stems from the simultaneous loss of all support: commodity prices fell, the central bank cut interest rates, the economy is flagging, and the appeal of high-yield currencies has dwindled due to the resurgence of risk. The Australian dollar has also been highly volatile in recent weeks, fluctuating between US\$0.60 and US\$0.70. The currency's weakness and volatility even prompted the central bank to step in, using its foreign exchange reserve.
- As for market indicators, momentum is at historically low levels and compatible with an exchange rate correction, but the net speculative positions are sending a less pressing signal. Moreover, carry trades are still being reversed due to strain in the financial markets, which is keeping the Australian dollar weak and reducing the chances of a short-term correction.
- In recent years, Australia's economy has capitalized on strong demand for raw materials, and it is showing more and more signs of flagging. The tumble by commodity prices is now having a negative impact on its terms of trade, translating into downside pressure on its revenues. Nor is Australia safe from the correction by stock market and real estate prices. Negative wealth effects and weak consumer confidence do not augur well for consumer spending. Businesses also seem to be running into some trouble: the global slowdown and tightening of credit conditions are discouraging investment.
- Australia's economic softness prompted the central bank to overhaul its medium-range inflation projections and bring its key interest rate down by 200 basis points as of September. In the third quarter, the annual change in consumer prices was 5%. The biggest worry is that underlying inflation is close behind, at 4.5%. In its latest Monetary Policy Report, released in November, the central bank anticipates that inflation will not return to its target until the end of 2010. One drawback of the Australian dollar's depreciation is that it drives up import prices, which wipes out some of the deflation pressure. This does not rule out further rate cuts, but the central bank appears to want to be cautious.

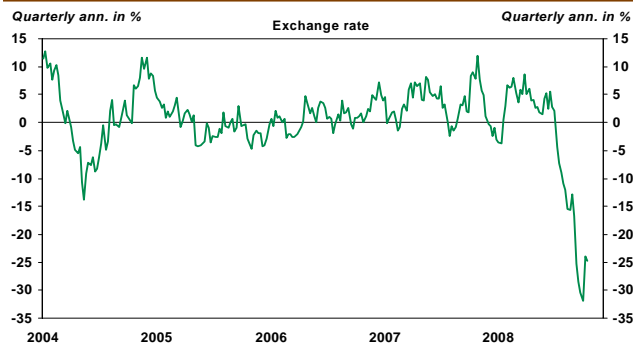
Forecasts: The Australian dollar's lack of support will limit its short-term gains; its volatility will be dependent on changes in the strain in financial markets. The longer-term outlook is still attractive, if commodity prices were to rise.

Australian dollar and trend



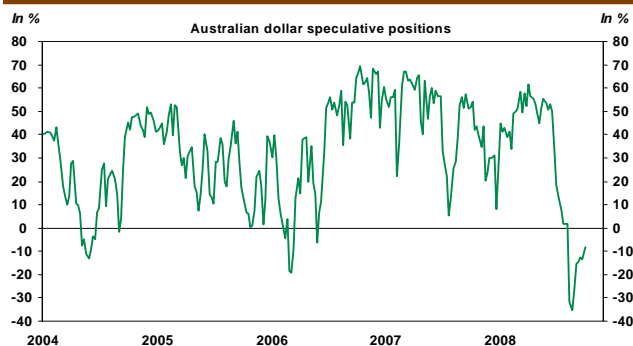
Sources: Datastream and Desjardins, Economic Studies

Australian dollar: momentum



Sources: Datastream and Desjardins, Economic Studies

Australian dollar: net speculative positions

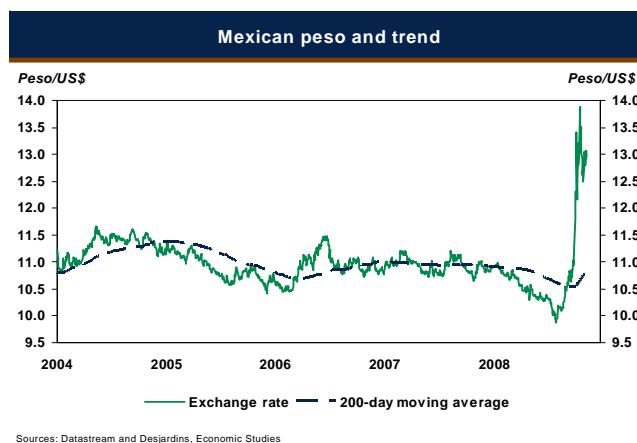


Sources: Datastream and Desjardins, Economic Studies

MEXICAN PESO (MXN)

The peso is bouncing back, but the pressure is still downward

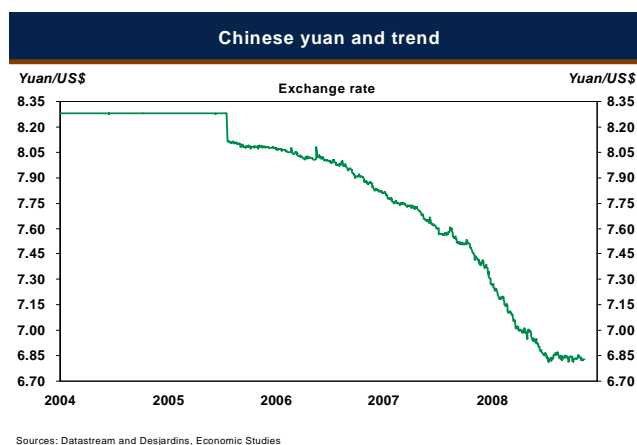
- After peaking at 14.31 pesos on October 8, the USD/MXN pair stabilized around 13 pesos. The institution of measures such as the reciprocal credit line extended by the United States and emergency liquidity funds provided by the International Monetary Fund (IMF) soothed investors' fears.
- The financial risks and flight to safe-haven securities should maintain downside pressure on the peso over the next few months. Mexico's central bank kept its key rate at 8.25% in October, but the economic problems should prompt it to ease its monetary policy further in the next few months.



CHINESE YUAN (CNY)

The yuan is stabilizing against the dollar

- The yuan stabilized between US\$6.80 and US\$6.85 after having risen by about 6.5% against the greenback in the first half of the year. The deepening of the financial crisis, global economic slowdown and strong greenback have cooled Chinese authorities to the idea of moving on further yuan revaluation. The fact remains that China's currency has continued to make gains against other currencies, including the euro and pound sterling.
- China could be hit by aftershocks from the financial crisis and economic slowdown currently affecting several industrialized nations. A sign of their concern is that monetary authorities and the government have already announced a number of measures to prop up the economy, including interest rate cuts, a cut to financial institutions' mandatory reserves, and an economic stimulus plan of almost US\$600B.
- To keep from doing more damage to Chinese exporters, the yuan's stability period could last for a while. With the big macroeconomic imbalances and international pressure remaining with us, the currency should start to appreciate again over the longer term.



TECHNICAL ANALYSIS

USD/CAD

The pair's vertiginous ascent since September 29 confirms that the main pressure is to the upside. The correction from 1.3019 was interrupted at 1.1465, very close to a 38% Fibonacci retracement (in blue) and the top of the ascending channel (in red). Our view remains for an up trend, above 1.1500, and there could be a return to 1.30 with momentum that favours a surge in that direction.



EUR/USD

Following a superb triangle formation, the pair returned to its down trend, which will remain valid below 1.2750. With the GBP/USD setting a new low, the EUR will certainly not do otherwise and could reach a new bottom under 1.23, possibly at 1.2110.



GBP/USD

The pair is trapped in a very steep descending channel which will continue to provide downside risk, though remote at this level. Over the longer range, the tangent drawn from the 1985 and 2001 lows has been broken, but should act as a magnet for an upswing before the end of the month.



USD/JPY

Recently, we suggested that a return toward 96 was possible. This was too conservative: the yen went as low as 90. It should continue to descend as the stock indexes set new lows. Our target is a return toward 90.



Table 1
Currency market

Country – Currency*	Spot price	Percentage return since					Last 52 weeks		
	Nov. 13	1 month	3 months	6 months	1 year	Higher	Average	Lower	
North America									
Canada – dollar	1.2313	6.68	15.33	22.82	27.86	1.2945	1.0356	0.9563	
Canada – (CADUSD)	0.8122	-6.27	-13.29	-18.58	-21.79	1.0458	0.9657	0.7725	
Mexico – peso	13.0840	5.56	28.31	24.84	20.07	13.4832	10.8309	9.9169	
South America									
Argentina – peso	3.3110	2.79	9.05	4.24	5.57	3.3813	3.1295	3.0130	
Brazil – real	2.3185	5.95	42.52	39.44	30.99	2.3805	1.7594	1.5590	
Asia									
China – yuan renminbi	6.8310	-0.07	-0.40	-2.27	-8.12	7.4345	7.0222	6.8119	
South Korea – won	1,391.30	12.16	33.85	33.48	51.43	1,467.90	1,039.80	913.60	
Hong Kong – dollar	7.7507	-0.11	-0.74	-0.59	-0.46	7.8146	7.7918	7.7500	
India – rupee	49.0955	2.05	15.35	16.63	25.15	49.8765	42.2108	39.0755	
Japan – yen	97.72	-4.21	-10.76	-6.66	-11.93	114.36	105.81	93.24	
Europe									
Denmark – krona	5.8246	6.23	16.51	20.74	14.26	5.9819	5.0265	4.6644	
Euro zone – (EURUSD)	6.8524	10.28	27.29	35.17	26.23	7.2294	5.4511	4.9583	
Norway – kroner	1.4810	-14.97	-20.59	-23.91	-28.54	2.0726	1.9229	1.4810	
Russia – ruble	27.5121	5.06	13.38	15.64	12.13	27.5555	24.4348	23.1169	
Sweden – krona	7.8015	9.51	24.14	29.90	23.36	8.1261	6.3877	5.8368	
Switzerland – swiss franc	1.1936	5.49	9.70	13.56	6.15	1.1936	1.0790	0.9860	
United Kingdom – (GBPUSD)	1.2568	-7.49	-15.47	-18.83	-13.93	1.5979	1.4884	1.2449	
South Pacific									
Australia – (AUDUSD)	0.6645	-4.70	-24.07	-29.32	-26.13	0.9786	0.8698	0.6036	
New Zealand – (NZDUSD)	0.5718	-6.92	-18.64	-25.18	-25.00	0.8175	0.7344	0.5420	

* 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	Q2	Q3	Q4f	Q1f	Q2f	Q3f	Q4f
American dollar										
Canadian dollar (USDCAD)	0.9944	0.9979	1.0259	1.0309	1.0630	1.2821	1.3333	1.2195	1.1364	1.1111
Euro (EURUSD)	1.4222	1.4620	1.5846	1.5755	1.4047	1.2400	1.2000	1.2200	1.2500	1.3000
British pound (GBPUSD)	2.0471	1.9865	1.9833	1.9936	1.7825	1.4800	1.4500	1.5000	1.5500	1.6000
Yen (USDJPY)	114.80	111.69	99.91	106.09	106.00	98.00	100.00	104.00	102.00	100.00
Australian dollar (AUDUSD)	0.8885	0.8755	0.9137	0.9582	0.7700	0.6500	0.6700	0.7200	0.7500	0.8000
Mexican peso (USDMXN)	10.94	10.92	10.64	10.31	10.80	12.50	12.20	12.00	11.50	11.00
Chinese yuan (USDCNY)	7.51	7.31	7.01	6.86	6.80	6.80	6.54	6.40	6.25	6.00
Effective dollar* (73 = 100)	74.38	70.27	70.31	70.96	75.00	84.00	85.00	84.00	82.00	80.00
Canadian dollar										
American dollar (CADUSD)	1.0056	1.0021	0.9748	0.9700	0.9407	0.7800	0.7500	0.8200	0.8800	0.9000
Euro (EURCAD)	1.4143	1.4589	1.6256	1.6243	1.4931	1.5897	1.6000	1.4878	1.4205	1.4444
British pound (GBPCAD)	2.0357	1.9823	2.0346	2.0553	1.8947	1.8974	1.9333	1.8293	1.7614	1.7778
Yen (CADJPY)	115.44	111.92	97.39	102.90	99.71	76.44	75.00	85.28	89.76	90.00
Australian dollar (AUDCAD)	0.8836	0.8737	0.9373	0.9879	0.8185	0.8333	0.8933	0.8780	0.8523	0.8889
Mexican peso (CADMXN)	11.00	10.94	10.37	10.00	10.16	9.75	9.15	9.84	10.12	9.90
Chinese yuan (CADCNY)	7.55	7.33	6.83	6.65	6.40	5.30	4.91	5.25	5.50	5.40

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

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