

USA

- The dollar is steady after rising to a 10-week high against the euro in New York trade. Financial stocks led the U.S. market lower Tuesday after the latest numbers from credit-card issuers indicated that consumers remain stressed by high rates of joblessness. The Dow Jones Industrial Average closed down 49.05 points, or 0.48% , at 10452.
- The dollar was steady in light Asian trade after rising to a 10-week high against the euro in New York trade as expectations that the Fed may provide a more optimistic outlook for the U.S. economy grew after better-than-expected U.S. industrial production data for November. The dollar was at Y89.48 from Y89.63.
- Very little change in the FOMC statement is expected despite some encouraging economic news since the last meeting, not least the upside surprise in nonfarm payrolls earlier in the month. A largely unchanged statement will probably not be enough to reverse the upward drift in rates and should thus have a minimal impact on USD.

	CCY	Price	Change
	AUD-USD	0.8972	-0.0090
	EUR-GBP	0.8943	0.0007
	EUR-USD	1.4543	0.0007
	GBP-AUD	1.8128	0.0174
	GBP-CAD	1.7241	-0.0016
	GBP-EUR	1.1182	-0.0008
	GBP-NZD	2.2694	0.0158
	GBP-USD	1.6265	-0.0002
	NZD-USD	0.7165	-0.0049
	USD-CAD	1.0601	-0.0009
	USD-JPY	89.74	0.1400

UK

- Dec. 16 (Bloomberg) -- The U.K. will outline plans to prevent over-the-counter derivatives, or those traded outside exchanges, being priced out of the market by European Union proposals, a Treasury official said. A study published in London by the Treasury and the Financial Services Authority today will set out plans to ensure derivatives too complex to be traded on an exchange or through a central clearing body aren't made uncompetitive by high capital requirements demanded by the EU.

Europe

- The euro was at \$1.4537 , having fallen as low as \$1.4505 on Tuesday as debt woes spread around the euro zone and at Y130.07 from Y130.30.
- The flash release of the euro-zone manufacturing and service sector purchasing managers' indexes for December is expected to show a further steady improvement across the private sector. This, combined with the continued low readings of the subcomponents for employment in both sectors, reinforces our concern that the recovery will lose momentum during the course of 2010 as stimulus measures expire.

Commodities

- Crude oil futures are little changed after overnight gains in the U.S., Light, sweet crude for Jan delivery was recently at \$70.72, up \$0.03 from the U.S. close.
- Spot gold is off its highs in Asia, with some selling ahead the Fed meeting. Gold was recently at \$1,123.50/oz, up 50c since the U.S.close but off its intraday high of \$1,127.27. The short-term outlook for gold looks soft, should the dollar continue to rally, but the outlook into 2010 is still positive. All will depend on how quickly the Fed raises interest rates.

Figures out today:

CCY	EVENT	GMT	EDT	EXP	PREV
EUR	Euro-Zone Purchasing Manager Index Manufacturing (DEC A)	09:00	04:00	51.5	51.2
EUR	Euro-Zone Purchasing Manager Index Services (DEC A)	09:00	04:00	53.2	53.0
EUR	Euro-Zone Purchasing Manager Index Composite (DEC A)	09:00	04:00	54.0	53.7
GBP	Jobless Claims Change (NOV)	09:30	04:30	12.0K	12.9K
GBP	Claimant Count Rate (NOV)	09:30	04:30	5.1%	5.1%
GBP	ILO Unemployment Rate (3M) (OCT)	09:30	04:30	7.9%	7.8%
GBP	Average Earnings inc bonus (3MoY) (OCT)	09:30	04:30	1.2%	1.2%
GBP	Average Earnings ex bonus (3MoY) (OCT)	09:30	04:30	1.8%	1.8%
EUR	Euro-Zone Consumer Price Index (MoM) (NOV)	10:00	05:00	0.2%	0.2%
EUR	Euro-Zone Consumer Price Index (YoY) (NOV)	10:00	05:00	0.6%	0.6%
EUR	Euro-Zone Consumer Price Index - Core (YoY) (NOV)	10:00	05:00	1.2%	1.2%
USD	Bloomberg Global Confidence (DEC)	12:00	07:00		60.3
USD	MBA Mortgage Applications (DEC 11)	12:00	07:00		8.5%
USD	Consumer Price Index (MoM) (NOV)	13:30	08:30	0.4%	0.3%
USD	Consumer Price Index (YoY) (NOV)	13:30	08:30	1.8%	-0.2%
USD	Housing Starts (NOV)	13:30	08:30	575K	529K
USD	Building Permits (NOV)	13:30	08:30	570K	552K
USD	Current Account Balance (3Q)	13:30	08:30	-\$106.0B	-\$98.8B
USD	Federal Open Market Committee Interest Rate Decision	19:15	14:15	0.25%	0.25%

Compiled today by Peter Cheek