

	CCY	Price	Change
AUD-USD	▲	0.9063	0.0057
EUR-GBP	▼	0.8759	-0.0014
EUR-USD	▲	1.4148	0.0010
GBP-AUD	▼	1.7825	-0.0063
GBP-CAD	▲	1.7064	0.0024
GBP-EUR	▲	1.1418	0.0021
GBP-NZD	▼	2.2643	-0.0056
GBP-USD	▲	1.6154	0.0041
NZD-USD	▲	0.7136	0.0039
USD-CAD	▼	1.0561	-0.0016
USD-JPY	▲	90.27	0.4400

USA

- The dollar and the yen advanced on reports that some Chinese banks had had their reserve requirements increased. This was in fact an implementation of a decision announced last week, but risk appetite remained depressed on growing expectations of further monetary tightening in China, with falling Asian equities helping boost haven demand for the US and Japanese currencies. The yen was the star performer, rising 0.7 per cent to Y89.67 against the dollar, even as Standard & Poor's, the ratings agency, downgraded its outlook on Japan's AA credit rating from stable to negative.

Figures out today:

Country	Event	GMT	EDT	Expected	Previous
USD	New Home Sales (DEC)	15:00	10:00	370K	355K
USD	New Home Sales (MoM) (DEC)	15:00	10:00	4.2%	-11.3%
USD	Federal Open Market Committee Interest Rate Decision	19:15	14:15	0.25%	0.25%

UK

Figures out today:

GBP	U.K. CBI Distributive Trades (JAN)	11:00	06:00		13
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- Sterling suffers after GDP disappointment: Sterling dropped sharply on Tuesday after figures revealed the UK economy emerged from recession more slowly than expected in the fourth quarter. Data showed UK gross domestic product rose just 0.1 per cent in the final three months of 2009, the first advance for six quarters, but well below forecasts of 0.4 per cent. Analysts said any suggestion that the Bank of England would look to withdraw from its policy of quantitative easing and rein in its asset purchase plan was misplaced. Late in New York, the pound, which rallied strongly on Monday in anticipation of the release, dropped 0.6 per cent to \$1.6142 against the dollar, lost 0.1 per cent to £0.8720 against the euro and fell 1.3 per cent to Y144.74 against the yen.

Europe

Figures out today:

EUR	German Consumer Price Index (MoM) (JAN P)			-0.3%	0.8%
EUR	German Consumer Price Index (YoY) (JAN P)			1.0%	0.9%

- Roubini Never More Pessimistic on Euro Area, Calls Spain a Risk: Jan. 27 (Bloomberg) -- New York University Professor Nouriel Roubini said he's never been more pessimistic about the future of European monetary union, saying Spain poses a looming threat to the euro region holding together. "Down the line, not this year or two years from now, we could have a breakup of the monetary union," Roubini said in a Bloomberg Radio interview from the World Economic Forum's annual meeting in Davos, Switzerland. "It's a rising risk." Roubini's concern contrasts with the view of European Central Bank President Jean-Claude Trichet who said it's "absurd" to imagine that the 16-nation euro area could splinter. Speculation of a breakup has mounted in financial markets as Greece struggles to cut the continent's biggest budget deficit and countries from Spain to Ireland face rising debt burdens. "The euro zone could drift essentially with a bifurcation, with a strong center and a weaker periphery and eventually some countries might exit the monetary union," said Roubini, who predicted the recent financial crisis a year before it began. "This is the very first test" of the single currency bloc.

Australia and New Zealand

Figures out today:

NZD	Reserve Bank of New Zealand Interest Rate Decision	20:00	15:00	2.50%	2.50%
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- Australian inflation sets stage for rate hike: Australia posted higher-than-expected inflation figures on Wednesday, setting the stage for a 25 basis-point rise in interest rates next Tuesday when the Reserve Bank meets. This will lift the country's official cash rate to 4 per cent, which is still lower than the Reserve Bank's target of around 5 per cent by the end of this year. Australia's consumer price index rose 0.5 per cent in the three months to December from the previous quarter.

Compiled daily by Alastair Constance