

CCY		Price	Change
AUD-USD	▲	0.9027	0.0073
EUR-GBP	▼	0.8633	-0.0038
EUR-USD	▲	1.4040	0.0017
GBP-AUD	▼	1.8018	-0.0044
GBP-CAD	▲	1.7209	0.0003
GBP-EUR	▲	1.1585	0.0054
GBP-NZD	▼	2.2811	-0.0071
GBP-USD	▲	1.6266	0.0099
NZD-USD	▲	0.7131	0.0065
USD-CAD	▼	1.0581	-0.0060
USD-JPY	▲	90.39	0.3900

USA

- Dollar cuts gains, yen falls after Obama speech TOKYO, Jan 28 (Reuters) - The yen fell and the dollar retreated from a six-month high against the euro after President Barack Obama laid out steps to revive the U.S. economy and eased market worries about moves to limit bank risk-taking by not revealing concrete plans on the issue. Obama's announcement last week that he would seek sweeping reforms to curb risky lending by banks spooked financial markets, prompting investors to unwind leveraged yen-funded carry trades. Before Obama's speech on Thursday the dollar powered to a five-month high against a basket of currencies, boosted by speculation over higher U.S. interest rates. But the greenback trimmed gains versus the euro and fell against other riskier currencies after Obama pledged to double exports in five years to help create jobs, prompting some market players to think the U.S. government may seek a weaker dollar to promote exports.
- The dollar advanced against most of its rivals Wednesday following news of a dissent by FOMC member Hoenig against the Fed's vote to leave interest rates near zero, which fueled speculation the U.S. might be moving closer to raising interest rates.
- NEW YORK, Jan 27 (Reuters) - Major central banks will stop conducting the emergency U.S. dollar lending introduced during the financial crisis as market conditions have improved, five central banks said in coordinated statements on Wednesday. The decision is a significant milestone in the global financial crisis and marks the first unified retraction of central banks' extraordinary support for financial markets. The European Central Bank, the Bank of Japan, the Bank of England and the Swiss National Bank said they would let the temporary dollar swap arrangements with the Federal Reserve expire on February 1, 2010. "These lines, which were established to counter pressures in global funding markets, are no longer needed given the improvements seen in the functioning of financial markets over the past year," the ECB said in a statement. "Central banks will continue to cooperate as needed." Demand for the "dollar swap" arrangements, through which the U.S. Federal Reserve provided dollars to overseas financial firms via foreign central banks, has fallen dramatically as market conditions improve around the world.

Figures out today:

Country	Event	GMT	EDT	Expected	Previous
USD	Durable Goods Orders (DEC)	13:30	08:30	2.0%	0.2%
USD	Durables Ex Transportation (DEC)	13:30	08:30	0.3%	2.0%
USD	Chicago Fed National Activity Index (DEC)	13:30	08:30	-0.40	-0.32
USD	Initial Jobless Claims (JAN 23)	13:30	08:30	452K	482K
USD	Continuing Claims (JAN 16)	13:30	08:30	4600K	4599K

UK

- The U.K. pound late Wednesday was the best performer against the dollar, gaining on comments from a Bank of England Monetary Policy Committee member that the U.K. economy might be growing faster than had been reported in Tuesday's gross domestic product numbers. Andrew Sentance also heightened expectations that quantitative easing could be called to a halt next month. Michael Saunders, chief economist of Citigroup, said, "There is perhaps a hint that he would rather not extend quantitative easing. In particular, he highlights the continued lagged stimulus from past policy actions and seems to suggest that the MPC's decisions during this year will focus on when to withdraw stimulus rather than whether to expand stimulus." Now GBP/USD is likely to consolidate with risks skewed lower by the broadly stronger USD undertone post-FOMC and lingering concerns about weak U.K. fiscal situation, dealers said.

Europe

Figures out today:

EUR	German Unemployment Change (JAN)	08:55	03:55	15K	-3K
EUR	German Unemployment Rate s.a. (JAN)	08:55	03:55	8.2%	8.1%
EUR	Euro-Zone Economic Confidence (JAN)	10:00	05:00	92.3	91.3

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EUR	Euro-Zone Business Climate Indicator (JAN)	10:00	05:00	-1.10	-1.22
EUR	Euro-Zone Consumer Confidence (JAN)	10:00	05:00	-15	-16
EUR	Euro-Zone Industrial Confidence (JAN)	10:00	05:00	-15	-16
EUR	Euro-Zone Services Confidence (JAN)	10:00	05:00	-3	-3

- The euro plunged briefly below \$1.40 for the first time since July 2009, while the yen dipped to an intraday low against the dollar after Hoenig voted against leaving short-term interest rates at ultra-low levels. Higher-yielding currencies also tumbled, led by the Australian dollar. For now, EUR/USD is to consolidate with a bearish bias after hitting 6-month low of \$1.3992 yesterday. The euro is undermined by improved dollar sentiment.

Commodities

- Crude oil futures are higher in line with gains across Asian equity markets following U.S President Obama's State of the Union address. Obama recast his agenda with focus on jobs, deficits, and providing relief to the market, which prompted U.S. futures buying.
- Selling intensified Thursday in copper and the other base metals following the overnight lead from London and New York. London Metal Exchange three-month copper was down 1.8% despite some early Shanghai arbitrage buying, aluminum had given up 2%, zinc was off 1.6% and lead was down 3.3%, all in relatively heavy volume for the usually thinly traded Asia session. Spot gold is lower on dollar strength at \$1,085.10 per troy ounce, down \$2.10 from the New York close. "There's fund selling in platinum and it looks like gold will test \$1,075 later," says a Hong Kong-based trader.

GBPUSD



GBPEUR



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