



# CITIZENS GLOBAL MARKETS

## Daily FiX



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### Your Foreign FiX

Wednesday, April 24, 2024

The US Dollar is trading marginally higher this morning, following the advance in US interest rates. Durable goods and capital goods for March were in-line, with durable goods orders rising 2.6%, one tenth higher than expected, but offset by a lower revision in February. Nonetheless, US interest rates are trading higher across the curve, with the 2-year and 10-year trading 1-bps and 4-bps respectively. Yesterday the record 2-year auction stopped through by nearly 1-bps, ahead of the \$70 billion 5-year today. Risk sentiment remains positive, aided by a better earnings report from Texas Instruments and Tesla's shift in strategy. The Bloomberg Dollar index is trading just above the 1,261 level, up marginally from yesterday and unchanged from one week ago. The shift away from the geopolitical has been a headwind for the Dollar, but the Fed pushing potential rate cuts until September is providing a tailwind.

**Canada:** USDCAD begins the US session up 20bps breaking the recent streak of loonie strength. The shift can be blamed on a greenback recovery after yesterday's dollar weakness. The pair was trading in the high 1.3600s ahead of Canadian Retail Sales data. Against its G-10 peers overnight the loonie was mixed showing the most strength against the Norwegian krone (+0.47%) while showing the most weakness against the Aussie dollar (-0.44%). In economics, Canada released Retail Sales (Feb) which missed expectations of +0.1% coming in negative at -0.1%. Retail Sales ex Autos was a bigger miss, coming in down -0.3% on expectations of +0.1%. USDCAD rose to the 1.3700 figure on the disappointment. Later today the Bank of Canada releases their Summary of Deliberations. Oil (WTI) fell to a low of \$80.88 in early US session trading yesterday but quickly rose to close above the \$83 level. Oil is down 40bps on the day just above the \$83 figure. Fallout from the disappointing Canadian retail data looks to set the tone for the morning. Support comes in at 1.3652 with resistance coming in at 1.3846 (YTD high).

**Europe:** The euro is stabilizing on the upper end of 1.06 following a weaker dollar yesterday amid worse-than-expected US PMIs. US business activity expanded at the slowest pace this year on a pullback in demand that led to the first decline in employment since 2020. However in the eurozone, German business sentiment improved to its highest level in a year. The IFO business climate index rose to 89.4 in April from 87.9 in March. Italy's manufacturing confidence and economic sentiment showed a deterioration, surprising to the downside. Gains for the euro remained capped by a key resistance level around 1.07.

Percentage Change						
	1M	3M	6M	9M	12M	24M
USDCAD	0.87%	1.87%	-0.77%	1.13%	0.67%	5.72%
USDCNH	0.22%	1.15%	-0.24%	-0.91%	2.88%	8.30%
EURUSD	-1.28%	-1.19%	-0.19%	-1.75%	-0.57%	1.16%

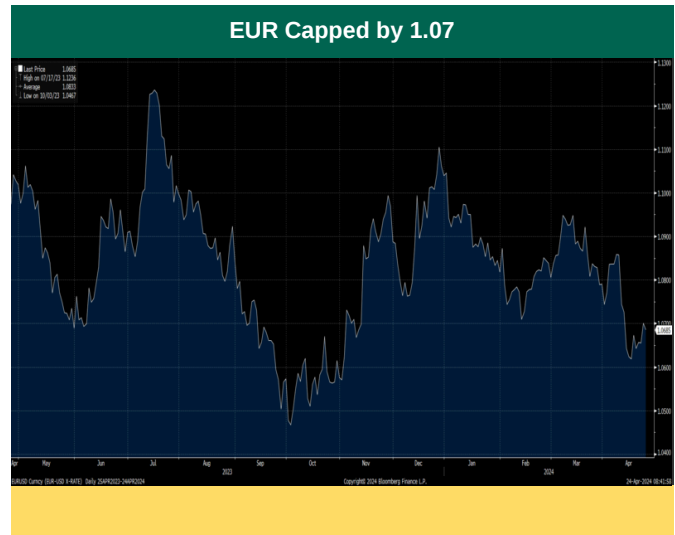
Annualized Forward Differential						
	1M	3M	6M	9M	12M	24M
USDCAD	0.53%	0.57%	0.95%	0.69%	0.68%	0.64%
USDCNH	1.61%	1.70%	2.99%	2.14%	2.20%	2.07%
EURUSD	1.53%	1.55%	2.50%	1.76%	1.79%	1.80%

Implied Volatility						
	3M	6M	9M	12M	24M	6M-RR
USDCAD	5.20%	5.40%	5.69%	5.72%	5.84%	0.62%
USDCNH	3.85%	4.70%	5.52%	5.87%	6.19%	0.41%
EURUSD	6.01%	6.22%	6.57%	6.64%	6.77%	-0.66%

USDCAD Rises on Canadian Retail Sales Miss



USDCAD vs Oil (WTI) 3-Day



Read our [technical documentation](#) to learn more about this data.

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