

Source: [Fxpro Forex Broker \(Review and Forex Rebates Up to 85%\)](#)

The Canadian dollar was making new highs for the year yesterday against the background of a weaker Greenback. The past three sessions have seen USD CAD move lower, taking it below the 1.30 level on a sustained basis. It's against this backdrop that the Bank of Canada meets today, with the results and statement released at 14:00 GMT. The scope for a cut at today's meeting is minimal, but the stance taken on the accompanying statement could impact. The last statement suggested risks were balances in the economy, but highlighted rising financial vulnerabilities. Overall, I don't see the case for changing the balance of risks in the statement, so the recent gains in the Canadian dollar are likely to remain in pace for the time being. Looking elsewhere, the IMF were pretty bleak in their assessment of the global economy yesterday, together with the prospects for the UK were they to vote to leave the EU in the June referendum. This backs up the perception that the scope to raise interest rates in the US remains limited and we're likely to see dollar weakness continue. EURUSD has been holding a very tight range over the month so far, with closing levels confined to within a 55 pip range. To some degree, the market finds it difficult to push the euro above the 1.15 level. Since February of last year, this has proven a key area of resistance on several occasions, above which it has only broken briefly during August of last year. Interest rate markets are currently suggesting that this reluctance will continue, with short-term rates moving more in favour of the dollar over the past few

sessions.