

IMF/G7 Meetings Provided Little For FX Mkts - BNZ

1930 GMT [Dow Jones] Friday's weak non-farm payrolls data "simply provided another excuse to sell USD," says BNZ Strategist Mike Jones. Also "little for markets to get excited about from the weekend's IMF/G7 meetings. Says lots of chatter about risk of currency wars "but little in the way of coordination or agreement." Notes IMF has agreed to produce "spillover report," to assess monetary policy, exchange rate, capital flow linkages between US, China, UK, Japan and Eurozone but analysts sceptical about what impact report will have. Looking ahead says FOMC minutes, U.S. data late in week will be key. Notes latest CFTC data shows speculators now holding largest short USD position since November 2007. "Should this week's US data throw up a positive surprise, a short-covering rally in the USD may well result." In near term, tips support on USD index on dips towards last week's 76.90 low, with initial resistance around 77.90. USD Index last 77.059. (rebecca. howard@dowjones.com)

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