

Foreign Exchange Outlook



US dollar enters a consolidation phase, although the risk of a renewed sell-off cannot be dismissed as European fiscal fears abate. The EUR is poised for recovery, while JPY strength is likely to persist. Electoral uncertainties weigh on GBP.

CAD is positioned for another rally as market anticipation of BoC tightening builds. Commodity price strength will also be supportive, with positive near-term implications for other currencies including AUD, NZD and RUB.

Emerging Asia awaits change in China's exchange rate policy before submitting to currency appreciation pressures.

Strong fundamentals support core Latin American currencies including MXN, BRL, CLP and PEN, whereas governance issues undermine the outlook for ARS and VEB.

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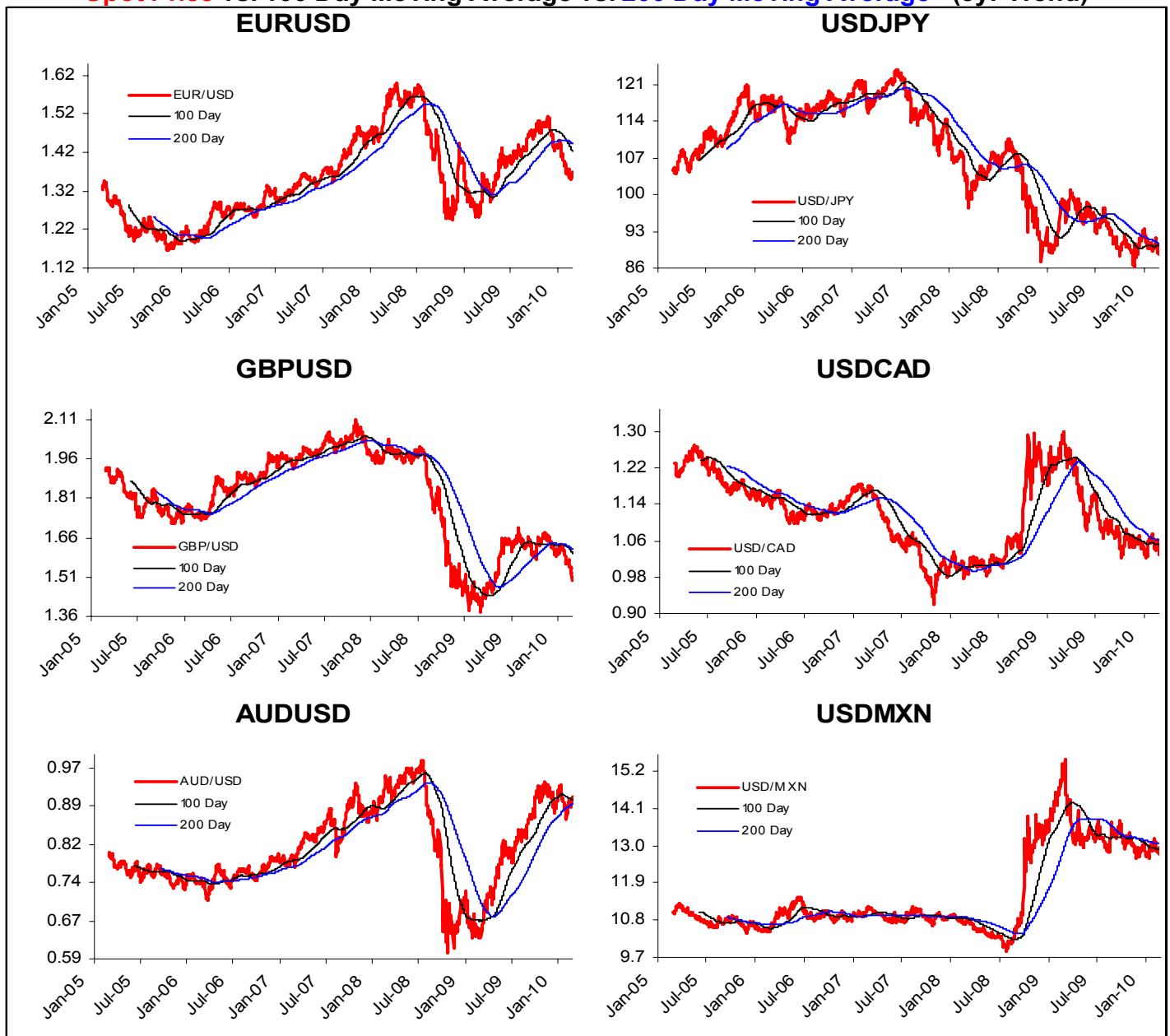
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Global Foreign Exchange Outlook

March 3, 2010		Actual	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11
Euro	EURUSD	1.37	1.37	1.40	1.45	1.45	1.43	1.43	1.41	1.39
	Consensus*		1.40	1.40	1.40	1.40	1.39	1.39	1.40	1.40
Yen	USDJPY	88.6	90	88	87	87	89	90	91	92
	Consensus*		91	93	94	96	97	98	98	98
Sterling	GBPUSD	1.51	1.53	1.60	1.63	1.63	1.63	1.63	1.62	1.62
	Consensus*		1.59	1.60	1.61	1.62	1.62	1.63	1.64	1.64
Canadian Dollar	USDCAD	1.03	1.02	1.00	0.98	0.97	0.97	0.96	0.95	0.95
	Consensus*		1.05	1.05	1.06	1.06	1.06	1.06	1.07	1.07
Australian Dollar	AUDUSD	0.91	0.91	0.93	0.95	0.96	0.98	0.99	1.00	1.00
	Consensus*		0.90	0.91	0.90	0.90	0.89	0.88	0.88	0.87
Mexican Peso	USDMXN	12.69	13.12	13.35	13.72	13.84	13.95	13.85	13.89	14.02
	Consensus*		12.94	12.83	12.83	12.83	12.86	12.94	13.02	13.11

Spot Price vs. 100 Day Moving Average vs. 200 Day Moving Average - (5yr Trend)



(*) Source: Consensus Economics Inc. February 2010

MARKET TONE & FUNDAMENTAL FOCUS

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It is striking that the currencies of the two most heavily indebted nations (in absolute terms) - the United States and Japan - have been the principal beneficiaries of the recent eruption of concerns regarding the fiscal situation in Greece and other peripheral euro zone economies. However, while Japan's financing needs are readily satisfied domestically, the United States is - and will remain - dependent on foreign capital to bridge the gap between overall spending and domestic savings, leaving the USD vulnerable to changes in global investor appetite for USD-denominated assets. Thus, while we do not anticipate a marked USD depreciation in the months ahead, we do expect intermittent periods of weakness that could be triggered by such events as heightened fiscal problems at the state level, a sudden surge in investor concern regarding commercial property debt, or a decision by the government of the People's Bank of China to resume its yuan appreciation policy, a decision that could heighten market uncertainty regarding the take-up of US treasuries by overseas central banks.

In contrast with January, when the USD staged a notable recovery, this past month has been marked by a mixed performance. By the end of February, the USD had gained ground against most of the struggling European currencies, but had lost against CAD, AUD, MXN and JPY. These diverging paths provide reassurance that fundamentals are returning as a key driver of FX and no longer are the markets willing to paint all currencies with the same brush. From here, CAD should continue to outperform, as its fundamentals are stronger and sentiment is supportive. Interest rate differentials, which played only a minimal role in February, should come back to center stage. Accordingly, the paths that the Bank of Canada and Federal Reserve choose will prove a key determinant of CAD's direction.

For Europe, EUR appears to be showing early signs of stabilization. However, much is still dependent on the road ahead for Greece and the other weaker European Union members. We hold a relatively positive outlook for developments from here, which should translate into renewed gains vis-à-vis the USD. By year-end we expect EUR to have climbed back to 1.45; however, the pattern of recovery is expected to be characterized by increased volatility. In late February, sentiment towards sterling rapidly turned negative, leading to the currency trading back below 1.50 for the first time in ten months. The combination of a large fiscal deficit, negative sentiment, concerns over the upcoming general election and a dovish central bank have weighed heavily on GBP. In the near-term, should sentiment continue to turn, there could be more downside before leveling off. However, into year-end, we would expect another round of USD weakness that should ultimately support the European currencies.

In general, we remain positive about the near-term outlook for commodity price-sensitive currencies, including CAD, AUD, NZD and RUB. Over the longer-term, however, some renewed divergence in performances may be evident, a reflection of marked differences in the nations' external accounts: Canada and Russia are likely to return to (or sustain) current account surpluses, while Australia and New Zealand will continue to register substantial deficits. At some point in the credit cycle, currency markets will once again focus on economies' dependence on foreign savings.

Monetary officials across much of emerging Asia are awaiting a signal from Beijing of a change in its exchange rate policy stance. Throughout most of the region, currencies are biased towards appreciation vis-à-vis the USD, prompting recurring official interventions aimed at preventing a loss of industrial competitiveness, but at the cost of an attendant rise in strains of managing excessive domestic liquidity. Renewed yuan strengthening (though moderate) would allow other Asian central banks to begin a cautious normalization of monetary policies without undue concern that the resulting appreciations would have a significant adverse impact on domestic manufacturing or other tradables sectors (commodities, tourism); KRW, TWD, SGD and MYR are among the currencies that should register gains through the balance of 2010. Nevertheless, we do not expect all currencies to move in a completely synchronized manner, as such issues as governance, cross-border relations, the timing of interest rate adjustments, fiscal policies and balance of payments will have an impact on relative performance.

In contrast with most previous eruptions of debt servicing concerns over the past three decades, the Latin American region has thus far escaped relatively unscathed from the recent European-centred turmoil - with positive implications for the exchange rates. Although the core Latin American economies maintain a manageable sovereign debt profile and healthy access to local sources of finance, credit differentiation trends are consolidating within the developing Americas. Credit default swap (CDS) market metrics indicate that Chile, Brazil, Mexico and Peru are perceived to have a manageable risk profile, similar to that of Spain. Others, such as Venezuela and Argentina, remain in the distressed-credit category - with CDS levels over 1,000 basis points. Thus, while we anticipate relative stability for such currencies as the MXN, CLP, BRL and the PEN (albeit with a modest depreciation bias over a 2-year time horizon), weak governance practices will leave the ARS and the VEB vulnerable to speculative attacks.

CANADA

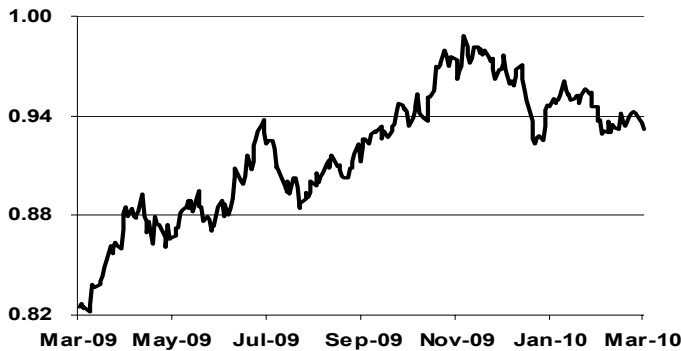
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The Canadian dollar rebounded following late January's broad based USD buying surge, and was the second best performing major currency through the month of February. Still, thus far in 2010, USDCAD has remained in a 1.0225 to 1.0781 range, averaging close to 1.05 through the first two months of the year. With the recently released Q4 Canadian GDP data and a more hawkish sounding Bank of Canada, we feel that the case for USDCAD to sustainably trade to parity by the end of Q2 has strengthened. Canada's recovery appears to be rather broad-based and supported by solid gains in domestic demand and a dynamic recovery taking place in the export sector as US economic growth begins to buoy demand for Canadian products. The lack of reliance in Q4's growth result on inventory restocking and the strength in domestic income speak to the sturdiness of the Canadian recovery. The last point is particularly important as a resurgent terms of trade and supportive domestic economic conditions may put pressure on the monetary policy outlook should the domestic economy evolve more robustly than the Bank of Canada has forecast. Continuing strong economic data will ultimately serve to boost the Canadian dollar against the USD as fundamentals are more favourable in Canada than in the US. This increases the likelihood that markets price more aggressive Canadian monetary policy tightening into USDCAD than Federal Reserve tightening. Though we maintain our view that the Bank of Canada and Federal Reserve remain on hold until the third quarter of this year, markets may move up their expectations for the Bank of Canada on strong Canadian economic data. The longer term attractiveness of Canadian assets is also proving CAD-supportive as relative fiscal stability removes the fiscal risk premium that the market would otherwise require to be priced into the currency. To this effect, foreign investors purchased a record C\$109.4bn in Canadian securities in 2009, with a focus on fixed income. Though USDCAD has held in a range since October, the topside has trended lower and is now seeing downside pressure exerted by USDCAD's 200-day moving average. We look for USDCAD to eventually break this range to the downside (CAD strength) as relative Canadian fundamentals suggest the inevitability of such a move.

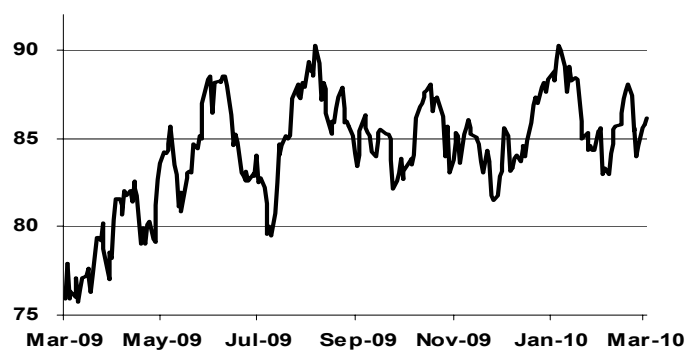
Currency Trends

FX Rate	Going Back			Spot	Outlook			FX Rate
	12 m	6 m	3 m		3-Mar	3 m	6 m	
AUDCAD	0.816	0.923	0.968	0.932	0.936	0.937	0.951	AUDCAD
CADJPY	76.4	85.1	81.8	86.2	88.1	88.5	91.1	CADJPY
EURCAD	1.617	1.568	1.585	1.408	1.399	1.414	1.394	EURCAD
USDCAD	1.276	1.094	1.056	1.028	1.007	0.987	0.970	USDCAD

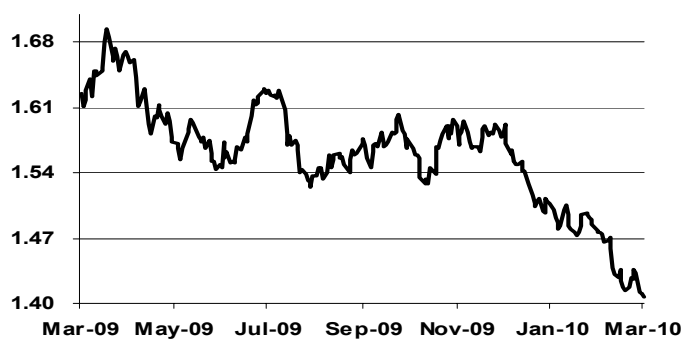
AUDCAD



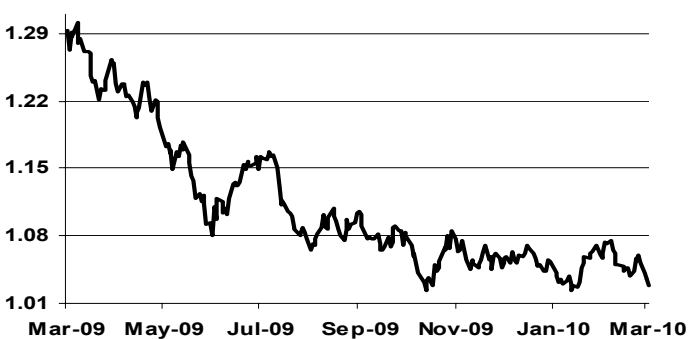
CADJPY



EURCAD



USDCAD



CANADA AND UNITED STATES
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UNITED STATES - The US economic recovery has stayed on track, strengthening more than expected. That said, the recovery path will remain an obstacle course – navigated at a gradual pace by historical standards – but the risk of a double-dip scenario has receded. So far, the manufacturing sector has been among the strongest segments. Global and domestic PMIs remained encouraging in February, despite unseasonably cold weather. Growing new orders and stepped-up hiring point to improving business confidence. The boost provided by temporary factors (fiscal stimuli, inventory restocking) is expected to subside in the second half of the year, but data suggest that private demand – essential for a sustainable recovery – is gaining traction. American shoppers remain cautious, but they are starting to release their tight grip on wallets. Although incomes barely increased in January, real household spending advanced for the fourth month running, pushing the savings rate lower. As consumer confidence stabilizes, private deposits at commercial banks – 15% higher since the onset of the recession, the most on record – are being gradually redistributed toward spending and paying down debt. The first quarter is a candidate for the first drawdown in cash deposits since 1994. That said, although the savings rate may have a downward bias in the near term, it is likely to stay elevated – in the 4% range – over the medium term. For the recovery in consumer spending to maintain a moderate pace, even as households continue to repair damaged balance sheets, companies need to start hiring. In that regard, leading employment indicators foreshadow encouraging developments in the months ahead. The housing sector appears to have stabilized. However, there has been some moderation in recent months, as the extended first-time homebuyers tax credit does not expire until April 30th. Overall, buyers are favouring the resale market, due to lower prices of foreclosed properties.

CANADA - The Canadian economy entered 2010 with a full head of steam. Real GDP increased at a 5.0% annual rate over the final three months of 2009, marking the largest quarterly advance in nine years. The burst in activity was broadly based, with consumers, builders, exporters and governments all contributing to growth. Indeed, our diffusion index of GDP, which measures the dispersion in overall economic activity, has moved up to its highest level in almost two years. With a reading of 72.8 in December, the index implies that a substantial and growing majority of industries have shifted back into expansion mode. Benefiting from rising commodity prices and a firming in global demand, exports increased for a fourth consecutive month in December. Falling inventories at the retail, wholesale and manufacturing levels suggest any further gains in external sales in 2010 will quickly translate into production increases. Business lending conditions appear to have stabilized, though the degree of easing remains modest compared with the extent of tightening in late 2007 through early 2009. Retailers have been reporting a steady pickup in sales volumes, and somewhat better profit margins. Rising home prices alongside signs of improvement in labour market conditions are bolstering confidence and spending. Private sector payrolls increased sharply in January, and several employment surveys point to healthy, though still cautious, hiring plans in the months ahead. Fuelled by exceptionally low mortgage rates, existing home sales in January were trending near all-time record levels. While the strength in demand is putting significant upward pressure on home prices, supply is beginning to edge up again. Consumer and business bankruptcies both dropped sharply in the final months of 2009, reflecting improving labour demand and firming sales.

MONETARY POLICY COMMENTARY

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UNITED STATES - The Fed will likely continue to shift its bias at the next FOMC meeting on March 16th as the financial market improves further alongside economic activity. While risks to the outlook still remain, Q3 and Q4 2009 real GDP results have been solid; recent data reports have also come in better than expected. In addition, market inflation expectations have drifted a touch higher since last Fall while pipeline inflationary pressures have built up alongside CPI inflation (excluding housing), highlighting that the case for emergency rates has waned. That is not to say that the Fed won't keep rates low; just not at the current record low levels. As a result, we continue to expect the Fed to increase the interest rate on excess reserves and the Fed funds target rate as early as Q3 of this year. Interestingly, this would be at the exact point that Fed Vice-Chairman Donald Kohn's recent resignation becomes effective, opening up a third vacant spot on the Board of Governors and allowing President Obama with the chance to influence the Board with his nominations.

CANADA - Our base case forecast continues to call for the first Bank of Canada (BoC) hike in Q3 2010. March's more hawkish BoC rate announcement supports this call, albeit with some risk of an earlier rate adjustment. Not only did the BoC acknowledge that growth has been "slightly" higher than it had projected in its January Monetary Policy Report, but the announcement also removed any comment on excess supply. In addition, it omitted any reference to the timing of a return to full capacity, which it pegged at Q3 2011 in previous statements. On the inflation front, the risks shifted from "tilted slightly to the downside" to "roughly balanced" as recent reports have shown firmer prices than previously expected. This reflects stronger domestic and foreign demand and suggests that the case for emergency levels of monetary policy stimulus has passed. This does not mean, however, that we aren't expecting rates to remain low for some time as growth moderates following the removal of both fiscal and monetary stimulus; what it does mean is that rates at 0.25% are no longer warranted.

MAJOR CURRENCIES
Currency Outlook

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EURO ZONE - Early March has brought a period of relief to EUR. Sentiment indicators are generally adding to this, with European CDS levels having come off their highs, risk reversals off their lows and an inability for the currency to close below 1.3500. However, the extreme EUR short positioning, which grew aggressively in February, is concerning. From what we know today, we expect March to be marked by ongoing stabilization in EUR.

JAPAN - Speculators are unwilling to commit to a substantial long or short yen position, which has added to the range-bound behaviour the currency has recently exhibited. The longer-term USDJPY trend is still downward; however, for now offsetting forces appear to be keeping JPY near 90.00.

UNITED KINGDOM - Sentiment has turned sharply against cable and has pushed the currency to a new 10-month low. The CFTC net short GBP position has increased to 6.1 billion, the second largest short position held against the USD. The option market continues to protect against further GBP downside, as risk reversals have dropped to -2.45. There might be further near-term downside in cable; however, we expect the currency to stabilize before the end of the first quarter.

SWEDEN - USDSEK has trended higher over the last several months; however, the currency has largely been trading in a fairly tight range. EURSEK has dropped materially lower, on a weakening EUR, but technicals are showing early signs of stabilization.

Currency Trends

FX Rate	Going Back			Spot 3-Mar	Outlook			FX Rate
	12 m	6 m	3 m		3 m	6 m	12 m	
EURUSD	1.27	1.43	1.50	1.37	1.39	1.43	1.44	EURUSD
USDJPY	98	93	86	89	89	87	88	USDJPY
GBPUSD	1.43	1.63	1.64	1.51	1.58	1.62	1.63	GBPUSD
EURSEK	11.42	10.20	10.47	9.78	9.56	9.42	9.71	EURSEK

EURUSD



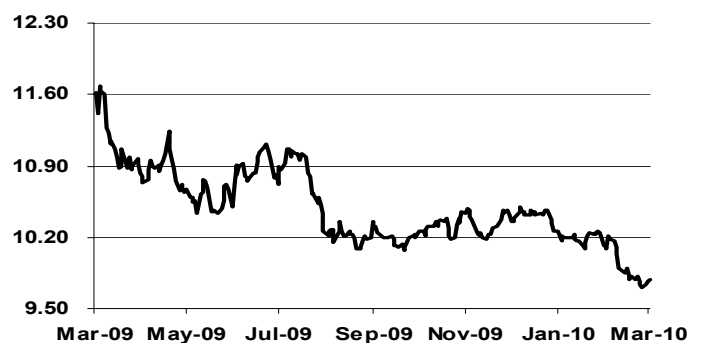
USDJPY



GBPUSD



EURSEK



MAJOR CURRENCIES

Fundamental Commentary

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EURO ZONE - With overall economic growth barely evident (0.1% q/q in Q4 2009), the recovery in manufacturing activity in Europe will not have any appreciable impact on employment for some time yet, even assuming the sectoral momentum can be sustained. Certainly, the near-term outlook is encouraging as the final purchasing manager survey results for February confirm the preliminary finding of a further rise in the PMI (the twelfth consecutive monthly advance) to a 2½-year high of 54.2. Nevertheless, with significant numbers of employees on shortened hours and plants running well below capacity, output can be increased significantly before employers initiate a strong hiring push. Thus, the euro zone jobless rate - which held steady at 9.9% for a third consecutive month in January, will likely remain well above the 9% threshold through most - if not all - of 2010. Not surprisingly, therefore, consumer confidence remains subdued as uncertainty about the income outlook persists. Encouragingly, external demand prospects for the euro zone are brightening, providing support to the region's economic recovery at a time when domestic demand conditions remain challenging. The region's trade surplus widened to €7.0 billion in December from €5.3 billion the month before, as exports reached a 12-month high of €114 billion. The sizable depreciation of the euro (the currency has lost more than 10% against the US dollar since end-November 2009) should help improve euro zone competitiveness and revive export sector prospects in the coming months.

JAPAN - Low financing costs, ready access to the capital markets - at least by major firms - and rising industrial output point to the likelihood of a recovery in corporate capital expenditures in 2010. Nevertheless, it is still a bit premature to celebrate a revival in Japanese investment despite the impressive 20.1% m/m surge in core machinery orders in December. While orders closed off 2009 at a 12-month high, they were still almost 40% below their January 2008 peak. Encouragingly, Japanese exporters have become full participants in the Asian export recovery, with positive implications for industrial activity. Foreign sales jumped 8.6% m/m in January, pushing them 41% above the depressed year-earlier level, an encouraging gain even taking into account the distortions arising from Lunar New Year celebrations in Asia. At the same time, industrial production increased a further 2.5% m/m in January, bringing the cumulative rise in output over the past eleven months to 32%. The strength of the industrial recovery suggests that Japanese manufacturers are still coping reasonably well with JPY strength. A recent official survey reported that manufacturers maintained that they could remain competitive with an exchange rate of about USDJPY92. In view of the implicit incentives to bias the responses, we suspect that a somewhat stronger yen would still be manageable, particularly in view of the near-4% inflation differential between the two countries.

UNITED KINGDOM - Price pressures are on the rise in the UK, at least temporarily. Reflecting an increase in the national sales tax back to the pre-crisis level and higher energy prices from a year before, the annual rate of inflation accelerated to 3.5% in January from 2.9% the month before. On a monthly basis, prices fell by 0.2% - a much smaller than usual decline for January. Nevertheless, monetary policymakers expect the spike in inflation to be a temporary phenomenon; spare capacity within the economy will ease price pressures and take the inflation rate back to the 2% target in the second half of 2010, leaving the Monetary Policy Committee (MPC) inclined to maintain its accommodative stance. We do not anticipate the MPC to announce any change to administered interest rates until late-2010. The MPC has noted that economic activity is recovering, albeit weakly; we expect UK output growth to rebound to around 1½% in 2010 following a 4¾% decline in 2009. Nevertheless, private sector spending prospects remain challenging as the unemployment rate (claims basis) held steady at 5.0% for a fifth consecutive month in January, while jobless claims unexpectedly increased by 23,500, wiping out the progress of the two previous months. Average earnings (including bonuses) in the three months through December rose by a modest 0.8% y/y; wage growth has fallen below the rate of inflation, with adverse implications for household spending.

SWEDEN - The Swedish economy closed off 2009 with a second consecutive quarterly contraction, in contrast with other major economies across the region which had succeeded in eking out at least a marginal gain in the second half of this past year. GDP fell 0.6% q/q in Q4 (-1.5% y/y), following a minimal 0.1% dip the previous quarter. Trade and investment were the key negative factors: exports continued to flag, slumping a further 1.1% q/q (while imports gained ground for a third consecutive quarter) and capital outlays slumped 3.3%; both household and current government spending gained ground, increasing by 0.3% and 0.4%, respectively. Despite the setback, we share the central bank's (relative) optimism that the economy will grow by about 2½% this year - outpacing the major euro zone economies and the UK, a trend that should prove supportive for the SEK in the latter part of the year, particularly if the Riksbank moves in advance of the European Central Bank or the Bank of England. Indeed, the central bank recently (albeit before the release of the disappointing Q4 GDP figures) signalled the likelihood that it may bring forward - slightly - the timing of its first policy adjustment to "the summer or early autumn" of 2010 despite the fact that it has become slightly less upbeat about this year's expansion, though it is still holding to its 2011 growth forecast of 3.4%. For the moment, however, the Executive Board is inclined to hold the benchmark rate at 0.25%.

ASIA/OCEANIA/EUROPE
Currency Outlook

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AUSTRALIA - Technically, AUD has been unable to break above its January 0.9328 high, but most studies are still providing buy signals for the currency. Speculators, as measured by the weekly CFTC data, continue to favour long AUD positions and sentiment remains bullish. The combination of a hawkish central bank, solid fundamentals, the commodity backdrop and positive sentiment favour further upside in AUD.

NEW ZEALAND - NZD has struggled recently and has even broken below its 200-day moving average (usually a bearish signal). Sentiment remains favourable; however, speculative positioning, as measured through the weekly CFTC data, has dropped well off its highs. As long as the outlook for global growth and commodities remains intact, we would expect NZD to get pulled higher on the back of general strength in commodity currencies.

TAIWAN - Central bank intervention continues to underpin the relative stability of the New Taiwan dollar. However, we expect a modest quickening in the pace of appreciation vis-à-vis the USD once the People's Republic of China (Taiwan's leading trading partner) alters its current exchange rate policy stance.

NORWAY - Widening interest rate differentials between Norway and the euro zone will continue to support the Norwegian krona (NOK) vis-à-vis the euro; furthermore, prospects for somewhat higher energy prices are NOK-positive.

Currency Trends

FX Rate	Going Back			Spot 3-Mar	Outlook			FX Rate
	12 m	6 m	3 m		3 m	6 m	12 m	
AUDUSD	0.64	0.84	0.92	0.91	0.93	0.95	0.98	AUDUSD
NZDUSD	0.50	0.69	0.72	0.69	0.71	0.73	0.75	NZDUSD
USDTWD	34.93	32.92	32.17	31.98	31.44	30.81	29.74	USDTWD
USDNOK	7.04	6.02	5.68	5.89	5.77	5.68	5.43	USDNOK

AUDUSD



NZDUSD



USDTWD



USDNOK



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AUSTRALIA - The Reserve Bank of Australia's (RBA) bias towards monetary policy tightening remains intact following its March 2nd decision to raise the Cash Rate a further 25 basis points to 4.0%. In his official statement, Governor Glenn Stevens made it clear that the process of interest rate normalization is not yet over. The decision followed an array of positive economic indicators, including a strong (9.5% m/m) rebound in private new home sales in January. Fourth quarter national accounts data released the following day confirmed the strength of the recovery, as output rose a solid 0.9% q/q (2.7% y/y), led by a 4.9% increase in business investment. Yet, wage pressures remained muted through the final three months of 2009, increasing by a modest 0.6% q/q (2.9% y/y); reported emerging shortages of skilled workers have apparently not yet triggered any significant wage bid-up. The RBA is not concerned by the further widening of the current account shortfall to a 7-quarter high of A\$17.5 billion in the final quarter of 2009. While currency markets are now focused on fiscal rather than balance of payments deficits, the persistent heavy reliance on foreign savings to sustain domestic spending does pose longer-term risks to chronic current account deficit countries; at the same time, we believe that the period of market support for commodity-sensitive currencies still has some distance to run, setting the stage for a fresh rally in the Australian dollar, before a period of stability and subsequent retreat.

TAIWAN - The strong rebound in Taiwanese exports, which leapt 76% y/y in January, is replicated in the industrial activity figures. Production surged 70% y/y, bringing output within 5% of the record peak set in May 2008. Moreover, with private sector borrowing slowly recovering from an extended period of stagnation, the near-term outlook for the Taiwanese economy continues to brighten. We do not expect the momentum evident in the final quarter of 2009, when output rose by 9.2% y/y, to be sustained. Nevertheless, the gradual improvement in labour market conditions - the jobless rate declined for a fifth consecutive month in January, taking it back to a 12-month low of 5.73% - the strong recovery in export-oriented industrial output and another round of corporate and personal income tax cuts point to encouraging gains in private sector spending. Moreover, inflation is not an issue - the headline consumer price inflation rate has moved back into positive territory after a near-year-long deflationary period; and with private sector borrowing still languishing below year-earlier levels and the TWD maintaining a bias towards appreciation, we expect Taiwan's central bank to maintain an accommodative monetary policy stance; when the monetary authorities do begin to tighten, they will likely do so very cautiously, perhaps returning to their earlier practice of moving in 12.5 basis point increments. The benchmark interest rate has been held at 1.25% since February 2009.

NEW ZEALAND - We believe that the Reserve Bank of New Zealand (RBNZ) will adhere to its current timetable and begin to move to a less accommodative monetary stance around mid-2010; the Official Cash Rate has been held at 2.5% since April 2009. The RBNZ's policy board next meets on March 11th. The apparent rebound in business in February is encouraging, though sentiment has been volatile; however, private sector credit growth remains sluggish - increasing by an average of just 0.7% y/y in the three months through January. Building approvals are beginning to soften after staging a strong rebound in the second half of 2009, dampening the need for preemptive tightening to curb speculative excesses in the housing market. Moreover, with the jobless rate reaching a decade-plus high of 7.3% in the fourth quarter of 2009, full-time employment falling for a fifth consecutive quarter and wage growth decelerating to a modest 1.5% y/y in Q4, there is little scope for a surge in consumer spending; retail sales rose a moderate 1.0% in the fourth quarter of 2009 despite a stalling out in December. Looking ahead, spending patterns may be distorted in the run-up to the May budget, as Prime Minister John Key has hinted at the possibility of an increase in the sales tax, a prospect that may trigger a temporary surge in outlays on 'big-ticket' items.

NORWAY - Norwegian policymakers are taking a (temporary) break from monetary tightening. Following Norges Bank's Executive Board meeting on February 3rd, the authorities opted to keep the key interest rate unchanged at 1.75%. The benchmark rate has been raised by 50 basis points since October 2009, when Norges Bank became the first central bank in Europe to start a monetary tightening cycle. We expect the authorities to continue to gradually raise the interest rate level in the coming months, perhaps reaching 2½% by mid-2010; the next board meeting is scheduled for March 24th. Inflation accelerated in January to the central bank's target of 2.5% y/y from 2.0% the month before. The monetary authorities noted that economic activity is rising, supported by increasing consumer spending and foreign shipments while petroleum investments may fail to reach levels previously anticipated. The Norwegian economy has weathered the global downturn relatively well thanks to the authorities' firm monetary and fiscal policy response. After declining by 1.5% in 2009, real GDP growth will likely reach 2% this year. A low interest rate and inflation environment, together with healthy labour market conditions (though elevated by historical standards, the unemployment rate was a relatively low 3.2% in February), continue to support consumer spending; household consumption increased by 1.3% in the fourth quarter of 2009 while mainland Norway's output grew by 0.3% q/q.

DEVELOPING ASIA
Currency Outlook

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CHINA - The rebound in inflation and the recovery in exports will be key factors prompting China's authorities to accede to some renewed yuan (CNY) appreciation vis-à-vis the US dollar in 2010. We are maintaining our year-end target rate of USDCNY6.4, though non-deliverable forwards markets remain less bullish.

INDIA - Monetary policy tightening and a further gradual easing of global risk aversion that will underpin still-strong portfolio investment inflows should help to ensure a relatively stable Indian rupee vis-à-vis the USD over the next year - assuming relatively stable domestic security conditions.

KOREA - A substantial trade surplus and an export recovery should be sufficient to dampen official concerns regarding won appreciation, particularly once Beijing allows some renewed (moderate) flexibility in the CNY. We expect the Korean authorities to countenance a mild strengthening of the won to about USDKRW1100 by end-year.

THAILAND - While investor confidence on Thailand continues to be tested by domestic political turbulence, a favourable trade performance and prospects for rising interest rates after mid-year will provide a foundation for further modest appreciation of the Thai baht against the US dollar in 2010.

Currency Trends

FX Rate	Going Back			Spot	Outlook			FX Rate
	12 m	6 m	3 m		3-Mar	3 m	6 m	
USDCNY	6.84	6.83	6.83	6.83	6.70	6.57	6.33	USDCNY
USDINR	51.2	48.8	46.5	45.8	45.8	45.4	45.3	USDINR
USDKRW	1534	1249	1163	1146	1142	1124	1092	USDKRW
USDTHB	36.19	34.01	33.22	32.67	32.89	32.72	32.66	USDTHB

USDCNY

USDINR



USDKRW

USDTHB



DEVELOPING ASIA
Fundamental CommentaryTuuli McCully +1 416 863-2859
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CHINA - The debate at senior government levels regarding the exchange rate remains unresolved. It is evident that the Ministry of Commerce - which serves as the representative of trade and industry - is intent on defending China's current exchange rate policy, as a departmental representative recently stressed that exports have not yet fully recovered to pre-global recession levels (though they are growing at a double-digit annual rate). We do not expect any change in policy to be announced at the National People's Congress, which is about to get under way; rather, we anticipate a reiteration of the government's commitment to a "basically stable" exchange rate - a commitment that we believe is compatible with renewed moderate CNY appreciation vis-à-vis the USD. The strains of resisting any CNY strengthening even as the authorities attempt to curb credit growth (which was still running at a 30%+ year-on-year rate at end-January) and dampen the risk of asset bubbles (most notably in the property market, where house prices are rising at a monthly rate of about 1½% - and accelerating) are now being highlighted as major policy challenges. Moreover, the recent assertion by the People's Bank of China that it would "gradually guide monetary conditions back to normal levels from the counter-crisis mode" may be a veiled hint of plans to reinstitute the managed currency appreciation that was in effect from mid-2005 to mid-2008.

INDIA - GDP growth slowed to a 3-quarter low of 5.9% y/y in the final three months of 2009, but we believe that the economic deceleration will prove temporary. A poor monsoon season pulled agricultural output down almost 3% y/y, with negative implications for consumer spending, which increased by a modest 3.4%. In contrast, investment growth quickened to 8.9% y/y, buoyed by relatively low interest rates and a marked rebound in industrial activity. Despite a less stimulative budget, we anticipate stronger growth in the upcoming fiscal year - with a GDP increase of about 7½%. The federal budget for fiscal year 2010-11 (beginning April 1st) calls for a fiscal shortfall equivalent to 5.5% of GDP, compared with a projected gap of 6.7% this year. An 8.5% increase in total expenditures will be more than offset by an 18.2% rise in current revenues (largely driven by doubled-digit nominal economic growth and increases in indirect taxes, with adverse near-term implications for inflation), reinforced by a 50%+ increase in privatization receipts to INR400 billion. Basic tax thresholds have been raised as has the ceiling on tax free savings, resulting in a projected 3½% decline in income tax receipts. While the deficit reduction measures may be sufficient to induce the central bank to maintain its current monetary stance until April, there can be little doubt that further tightening will be announced at its upcoming quarterly policy meeting.

KOREA - Korean exports have jumped about 40% y/y through the first two months of 2010. Nevertheless, with commodity prices likely to remain well above the previous year's averages and the inventory-replenishment-driven export surge likely to abate we anticipate a somewhat reduced trade surplus this year. Even so, Korea will record a substantial current account surplus in 2010, though somewhat smaller than last year's record US\$43 billion. Early-year figures are normally weak, and the January deficit of US\$0.45 billion does not foreshadow a poor performance for the year as a whole; indeed, the gap was little more than one-quarter of the January 2009 shortfall. The Bank of Korea remains committed to its accommodative monetary stance. Although it acknowledges that inflation is accelerating and domestic economic activity is recovering, it continues to express caution regarding the global economic and financial outlook "due to the risk of government debt crises in some European countries". Moreover, Korean joblessness reached a decade-high of 4.8% in January as employment declined for a fourth consecutive month and core inflation has dipped to a 3½-year low of 1.9%, providing some additional justification for a 'wait-and-see' approach. Governor Lee Seong Tae's term expires at the end of March, suggesting that any rate adjustment will not occur until May - at the earliest.

THAILAND - A robust economic recovery is underway in Thailand; output expanded by 3.6% q/q (and 5.8% y/y) in the final three months of 2009, a third consecutive quarterly expansion, limiting the economic contraction to 2.3% in 2009 as a whole. Private and government spending together with the export sector rebounded strongly, while investment remained subdued. Exports (goods and services) were supported by solid performances of the manufacturing and tourism sectors. Manufacturing production increased 28.6% y/y in January following a 35.9% y/y jump the month before; though encouraging, the indicators reflect a strong base effect stemming from the major slump in production a year before. We expect Thai output to grow by 4-4½% in 2010-2011. The rate of increase in the CPI eased in February to 3.7% y/y from 4.1% in January, reversing the 4-month trend of accelerating inflation. Price pressures remain benign when food and energy costs are excluded; the core inflation rate was 0.3% y/y in February, hovering below the lower end of the Bank of Thailand's 0.5-3.0% target range. However, we expect that normalization in monetary conditions is in prospect in the third quarter of the year as domestic economic activity firms up. The benchmark interest rate has been kept unchanged at 1.25% since April 2009; the next monetary policy meeting is scheduled for March 10th.

DEVELOPING AMERICAS
Currency Outlook

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BRAZIL - The Brazilian real (BRL) has regained an appreciating bias against the USD; after reaching technical support at 1.90, the BRL was approaching the 1.75 mark by early-March. Aggressive monetary tightening coupled with robust economic growth will support the BRL in the months to come; however, we believe that there is room for a healthy adjustment, perhaps motivated by election-related political issues. We expect USDBRL to close the year at 1.90.

MEXICO - The Mexican peso (MXN) regained an appreciating tone versus the USD supported by favourable conditions in energy markets, increased foreign demand for Mexican debt assets and expectations of monetary tightening in the months to come; USDMXN is technically positioned to test the 12.60 mark before reaching a resistance barrier. Nevertheless, we expect USDMXN to close the year at 13.8.

CHILE - The Chilean peso (CLP) is appreciating despite the adverse economic impact of the devastating earthquake that took place last week. Metal commodity prices continue to support the CLP, yet local-currency equity securities have adopted a defensive tone. Credit metrics also indicate that the external perception of Chilean sovereign risk has also been impaired recently. We expect USDCLP to close the year at 525.

ARGENTINA - The Argentine peso (ARS) is on the defensive. Inflationary expectations are entering dangerous territory. The government's manipulation of official statistics may provide the wrong data on the level of foreign exchange reserves. Intensive intervention to support the peso may cause a sharp adjustment in FX reserves. In the short-term, debt-restructuring plans will shape market sentiment. We expect USDARS to close the year at 4.50.

Currency Trends

FX Rate	Going Back			Spot 3-Mar	Outlook			FX Rate
	12 m	6 m	3 m		3 m	6 m	12 m	
USDBRL	2.39	1.88	1.76	1.78	1.83	1.86	1.92	USDBRL
USDMXN	15.26	13.36	12.93	12.69	13.27	13.60	13.91	USDMXN
USDCLP	597	554	497	517	520	516	508	USDCLP
USDARS	3.57	3.85	3.81	3.86	4.04	4.23	4.58	USDARS

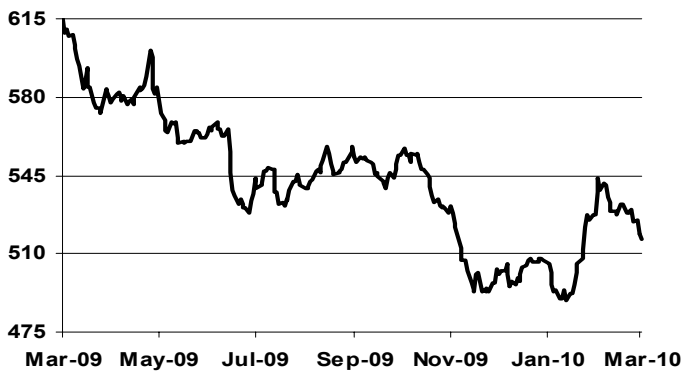
USDBRL

USDMXN



USDCLP

USDARS



DEVELOPING AMERICAS
Fundamental Commentary

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BRAZIL - Global investor demand for Brazilian assets remains strong. An improving growth scenario and firm expectations of aggressive monetary tightening in the coming months are boosting demand for Brazilian financial assets. We expect the economy to expand by 5% this year and moderate to a sustainable 4-4.5% rate during the 2011-13 period; recent data showed an improved outlook for domestic employment. However, demand-driven price pressures are intensifying, and we believe that the monetary authorities will not tolerate a spike in currency market volatility in a presidential election year. Economic and market analysts expect sharply higher government-administered interest rates this year. Futures markets discount a 175 basis points (bps) increase in the credit-sensitive SELIC rate by the end of this year, whereas the local-market consensus indicated in the latest survey conducted by the central bank points towards a 250 bps rate hike. We believe that a SELIC rate of at least 11% by year end is feasible. The next monetary policy announcement is scheduled to take place on March 17th. Meanwhile, Brazilian debt and equity securities remain sensitive to changes in global risk appetite caused by the European fiscal concerns and potential adjustments in Chinese stock markets. By end-February, the five-year Brazilian CDS was valued at 134 bps (similar to Spain - 129 bps - but much lower than Ireland, Portugal and Greece).

CHILE - The Chilean environment will be shaped by the public and private measures to restore stability and order to the country following the devastating earthquake occurred on February 28th. The government is already embarked on a comprehensive reconstruction effort, which will be facilitated by a comfortable fiscal (and savings) position. Surprisingly, the Chilean peso was not materially affected by this tragic natural disaster. In fact, the CLP maintained a steady appreciating trend in place since February 4th when USDCLP touched the 550 mark. We are not modifying our end-year currency forecast at present; the CLP remains well supported by an upward trend present in copper prices. Equity securities markets did suffer some profit-taking activity, however. A more active and interventionist central bank in currency (and securities) markets is, for now, the natural outcome of the global systemic financial crisis that originated in the most mature and advanced economies. Chile announced a 90-day period to comply with new currency hedging rules governing foreign portfolio investments by local pension funds. The election of Sebastian Piñera as the new president of Chile implies continuity of a prudent macroeconomic framework in the context of an accelerating economic recovery. Nevertheless, the need for swift institutional reform to labour market legislation and changes to rules governing state-owned firms may inject, at times, periods of manageable social unrest and political volatility.

MEXICO - Mexico enjoys a favourable market environment. Recently announced changes to rules governing portfolio investments by the domestic pension funds coupled with a persistently low global interest rate environment continue to fuel demand for long-term peso-denominated Mexican fixed-income securities. Indeed, the yield on the 10-year Mexican government bond has declined to 7.5% from 8% since the beginning of the year. The five-year Mexican CDS is trading at 125 bps. On February 17th, the Finance Ministry increased the official 2010 GDP growth projection to 3.9% from 3%. On the external finance front, the authorities have indicated that the reciprocal currency arrangement (valued at US\$30 billion) with the US Federal Reserve will be terminated next month suggesting that there is no longer the need for emergency financing to deal with short-term USD liquidity requirements. On the monetary front, Banco de Mexico opted to keep its target monetary policy rate unchanged at 4.5%, stressing that the domestic economy continues to show signs of recovery and that inflationary pressures were clearly evident due to the effect of recent tax increases and government-administered price adjustments. The official statement highlighted that inflationary expectations for 2010 also remain anchored above the 3% target. At present, interest rate futures markets discount a 75-100 bps rate hike by the end of the year; the next monetary policy setting meeting is scheduled for March 19th.

ARGENTINA - Following the replacement of the central bank president, Argentina is now embarked on using a portion of the international reserves to meet this year's treasury debt obligations. The untidy interference of the administration in monetary affairs is seen, by many local observers, as a precursor of currency market distress and lack of credibility on central bank data (including the level of foreign currency reserves) in the year ahead. The economy is showing signs of recovery, yet the lack of transparency and accuracy of official data makes it virtually impossible to accurately gauge economic conditions. The most serious macroeconomic issue clouding the Argentine business and market environment is, undoubtedly, a sharp escalation of inflationary expectations. According to highly reputable local think tanks, inflation may increase to as high as 30% this year. The official data will continue to be manipulated to hide a disruptive economic reality that is adversely affecting Argentine households. Credit-market metrics (perhaps influenced by one-off factors connected with a debt restructuring) are not yet taking into account this sharp deterioration in economic conditions. The media report that the government is nearing completing a debt-restructuring programme with the so-called holdout bondholders. We continue to believe that the risk of a substantial government-engineered currency adjustment remains as alive as ever. Investors should exert extreme caution at the time of managing their currency exposure to ARS and peso-denominated securities.

DEVELOPING EUROPE/AFRICA
Currency Outlook

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RUSSIA - The Russian ruble (RUB) is weathering the emerging market volatility relatively well. Improving global energy demand prospects and relatively high interest rates in Russia continue to support the RUB; however, the central bank will attempt to prevent excessive RUB appreciation as it would challenge the export-led economic recovery.

TURKEY - Re-emerging political tensions related to secularity issues between the ruling Justice and Development Party and the military, together with uncertainty around the status of the negotiations with the International Monetary Fund regarding a new Stand-By Arrangement are causing volatility and selling pressures for the Turkish lira.

SOUTH AFRICA - Rapid changes in investor risk tolerance continue to be reflected in the South African rand (ZAR), causing short-term volatility. Large financing needs related to the wide current account deficit point towards modest ZAR depreciation against the US dollar.

POLAND - Relatively strong fundamentals of the Polish economy and prospects for being among the first regional economies to reverse monetary policy direction continue to provide support to the PLN.

Currency Trends

FX Rate	Going Back			Spot 3-Mar	Outlook			FX Rate
	12 m	6 m	3 m		3 m	6 m	12 m	
USDRUB	35.9	31.8	29.3	29.8	29.8	29.7	29.7	USDRUB
USDTRY	1.76	1.50	1.53	1.53	1.56	1.57	1.58	USDTRY
USDZAR	10.54	7.78	7.40	7.51	7.77	7.83	7.95	USDZAR
EURPLN	4.65	4.10	4.16	3.90	3.93	3.92	3.88	EURPLN

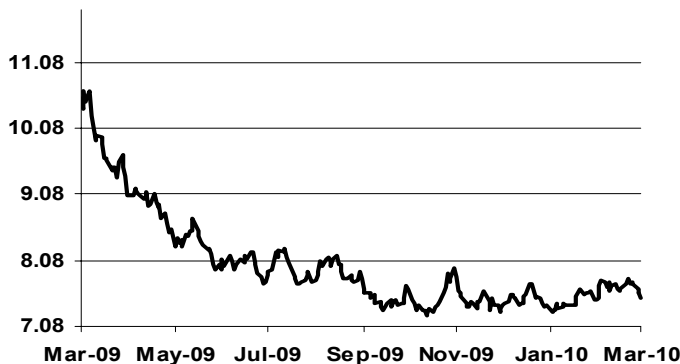
USDRUB

USDTRY



USDZAR

EURPLN



DEVELOPING EUROPE/AFRICA

Fundamental Commentary

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RUSSIA - The process of monetary policy easing continues in Russia. On February 19th, Russian monetary authorities lowered the benchmark refinancing rate by 25 basis points to 8.5% in order to stimulate consumption by making loans more accessible; the benchmark interest rate has been cut by 450 bps since end-April 2009. We foresee several more small rate adjustments in the near term before the easing cycle reaches its end. After supporting the ruble in the midst of the credit crisis (that led to a significant fall in reserves), the central bank has been recovering foreign exchange reserves since March 2009, which totalled US\$433 billion by mid-February 2010, the third highest in the world; reserves will likely accumulate further as the central bank continues to intervene to prevent significant ruble appreciation. The disinflation process is intact; consumer price inflation weakened to 8.0% y/y in January from 8.8% at end-2009 despite the fact prices increased by 1.6% on a monthly basis. The Russian economy contracted by 7.9% in 2009; weak global conditions led to a 41% decline in foreign direct investment in 2009 to US\$15.9 billion. The budget deficit for 2009 was 6% of GDP - less than generally expected - as energy sector-related revenues recovered in the second half of the year; the shortfall was financed by resources in the Reserve Fund. We expect the Russian economy to expand by around 3½% in 2010.

TURKEY - Political instability is on the rise following the arrest of several military officers for an alleged coup plan in 2003; tensions between the democratically elected Justice and Development Party (that has an Islamist past) and the secularist military will be reflected in investor sentiment towards Turkish assets. Regardless, international rating agencies' perception of Turkish sovereign creditworthiness is improving. Standard and Poor's (S&P) upgraded Turkey's long-term foreign currency rating by one notch to "BB"; the rating outlook is "positive". The rating agency assesses that the Turkish government's economic flexibility has improved on the back of progress in reducing the country's debt burden; S&P considers that the country's fiscal plan is "realistic and prudent", thereby decreasing the risks to the country's public finances. In February, the central bank kept monetary conditions on hold for a third consecutive month, with the benchmark interest rate remaining at a record low level of 6.5%. We believe that the monetary easing cycle has reached its end, as the economy is showing signs of a moderate recovery (we expect the economy to expand by around 3½% in 2010 following a near-6% decline in 2009) and inflationary pressures are picking up, at least temporarily; the monetary authorities assess that inflation will continue to hover above the central bank's 2010 inflation target of 6.5% "for some time" before returning towards the target. CPI inflation accelerated to 10.1% y/y in February from 8.2% the month before.

SOUTH AFRICA - The South African economic recovery is regaining momentum; output increased by an annualized 3.2% q/q in the final quarter of 2009, supported by the manufacturing sector; however, activity remained 1.4% below year earlier levels. Real GDP declined by 1.8% in 2009 as a whole. Manufacturing production grew by 3.0% m/m in December (3.2% y/y), marking the fourth consecutive monthly increase. Meanwhile, consumer spending and private sector credit growth remained in negative territory in year-over-year terms as challenging labour market conditions persist; the unemployment rate was 24.3% in the final quarter of 2009 - and likely underestimates actual joblessness. More recent indicators support recovery prospects; vehicle sales grew for a second consecutive month in February (by 16.2% y/y) while the purchasing managers' index indicated a marked improvement in perceived business conditions, with the index jumping to 60.4 from 53.6 in January. Consumer price inflation was 6.2% y/y in January, continuing to hover slightly above the central bank's 3-6% inflation target. Monetary policymakers expect inflationary pressures to remain elevated in the near-term due to base effects related to petrol price changes. Following their most recent policy meeting at end-January, the monetary authorities maintained the benchmark interest rate at 7.0%; the next interest rate decision is scheduled to take place on March 25th.

POLAND - Polish central bankers maintain a neutral policy stance. Following the Monetary Policy Council meeting on February 23rd-24th, the authorities left the reference rate unchanged at 3.50% for an eighth consecutive month. While assessing the inflation outlook as "balanced" (inflation is expected to ease towards a 1.3-2.2% range in 2010 from the January level of 3.6% y/y), policymakers noted that a forthcoming world-wide reversal of stimulus measures add uncertainty to the overall economic outlook. Moreover, they emphasized the importance of fiscal discipline in the context of reducing the budget deficit (the general government deficit doubled in 2009 to 7.2% of GDP) and limiting the increase in public debt (government debt hovers around 50% of GDP) as a requisite to meet the euro adoption criteria; the authorities maintain their long-standing view that Poland should join the ERM-II and euro zone as soon as possible. The government aims to meet the Maastricht criterion for public deficit by 2012 when the shortfall is targeted to be equivalent to 2.9% of GDP. Poland was the only economy in the European Union to avoid a recession last year; output increased by 3.1% y/y (seasonally adjusted 1.2% q/q) in the fourth quarter of 2009, supported by net exports, taking the economic expansion to 1.7% for the year as a whole. We expect the economy to grow by around 3% in 2010.

GLOBAL CURRENCY FORECAST (end of period)														
		2008	2009	2010f	2011f	2010f				2011f				
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
MAJOR CURRENCIES														
	Japan	USDJPY	91	93	87	92	90	88	87	87	89	90	91	92
	Euro zone	EURUSD	1.40	1.43	1.45	1.39	1.37	1.40	1.45	1.45	1.43	1.43	1.41	1.39
		EURJPY	127	133	126	128	123	123	126	126	127	129	128	128
	UK	GBPUSD	1.46	1.62	1.63	1.62	1.53	1.60	1.63	1.63	1.63	1.63	1.62	1.62
		EURGBP	0.96	0.89	0.89	0.86	0.90	0.88	0.89	0.89	0.88	0.88	0.87	0.86
	Switzerland	USDCHF	1.07	1.04	1.01	1.04	1.08	1.06	1.03	1.01	1.03	1.03	1.04	1.04
		EURCHF	1.49	1.48	1.47	1.45	1.48	1.49	1.50	1.47	1.47	1.47	1.47	1.45
AMERICAS														
North	Canada	USDCAD	1.22	1.05	0.97	0.95	1.02	1.00	0.98	0.97	0.97	0.96	0.95	0.95
		CADUSD	0.82	0.95	1.03	1.05	0.98	1.00	1.02	1.03	1.03	1.04	1.05	1.05
	Mexico	USDMXN	13.7	13.1	13.8	14.0	13.1	13.4	13.7	13.8	14.0	13.9	13.9	14.0
		CADMXN	11.2	12.4	14.3	14.8	12.9	13.4	14.0	14.3	14.4	14.4	14.6	14.8
South	Argentina	USDARS	3.45	3.80	4.50	5.00	3.92	4.10	4.30	4.50	4.62	4.74	4.87	5.00
	Brazil	USDBRL	2.31	1.74	1.90	2.00	1.82	1.84	1.87	1.90	1.92	1.95	1.97	2.00
	Chile	USDCLP	639	507	510	500	523	519	514	510	507	505	502	500
	Colombia	USDCOP	2249	2044	2100	2150	1943	1994	2046	2100	2112	2125	2137	2150
	Peru	USDPEN	3.13	2.89	2.75	2.80	2.84	2.81	2.78	2.75	2.76	2.77	2.79	2.80
	Venezuela 1/	USDVEB	2.15	2.15	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30
ASIA / OCEANIA														
	Australia	AUDUSD	0.70	0.90	0.96	1.00	0.91	0.93	0.95	0.96	0.98	0.99	1.00	1.00
	China	USDCNY	6.83	6.83	6.40	6.00	6.78	6.65	6.52	6.40	6.30	6.20	6.10	6.00
	Hong Kong	USDHKD	7.75	7.75	7.70	7.70	7.76	7.74	7.72	7.70	7.70	7.70	7.70	7.70
	India	USDINR	48.8	46.5	45.0	47.0	46.0	45.6	45.3	45.0	45.5	46.0	46.5	47.0
	Indonesia 2/	USDIR	11.12	9.40	9.50	9.75	9.36	9.41	9.45	9.50	9.56	9.62	9.69	9.75
	Malaysia	USDMYR	3.47	3.43	3.25	3.35	3.39	3.34	3.30	3.25	3.27	3.30	3.32	3.35
	New Zealand	NZDUSD	0.58	0.72	0.75	0.75	0.70	0.72	0.73	0.75	0.75	0.75	0.75	0.75
	Philippines	USDPHP	47.5	46.2	47.0	48.0	46.2	46.5	46.7	47.0	47.2	47.5	47.7	48.0
	Singapore	USDSGD	1.43	1.40	1.38	1.35	1.40	1.40	1.39	1.38	1.37	1.36	1.36	1.35
	South Korea	USDKRW	1260	1164	1100	1050	1154	1136	1118	1100	1087	1075	1062	1050
	Thailand	USDTHB	34.7	33.4	32.5	33.5	33.0	32.8	32.7	32.5	32.7	33.0	33.2	33.5
	Taiwan	USDTWD	32.8	32.0	30.0	28.5	31.9	31.2	30.6	30.0	29.6	29.2	28.9	28.5
EUROPE / AFRICA														
	Czech Rep.	EURCZK	26.9	26.4	26.0	25.5	25.9	26.0	26.0	26.0	25.9	25.7	25.6	25.5
	Iceland	USDISK	121	126	125	120	128	127	126	125	124	122	121	120
	Hungary	EURHUF	266	270	275	270	270	272	273	275	274	272	271	270
	Norway	USDNOK	6.95	5.79	5.50	5.25	5.82	5.75	5.65	5.50	5.40	5.35	5.30	5.25
	Poland	EURPLN	4.15	4.10	3.90	3.80	3.94	3.93	3.91	3.90	3.87	3.85	3.82	3.80
	Russia	USDRUB	29.4	30.0	29.5	31.0	29.9	29.8	29.6	29.5	29.9	30.2	30.6	31.0
	South Africa	USDZAR	9.53	7.40	7.90	8.20	7.73	7.79	7.84	7.90	7.97	8.05	8.12	8.20
	Sweden	EURSEK	10.94	10.25	9.75	9.50	9.66	9.51	9.37	9.75	9.69	9.62	9.56	9.50
	Turkey	USDTRY	1.54	1.50	1.58	1.60	1.55	1.56	1.57	1.58	1.58	1.59	1.59	1.60

a: actual; f: forecast; 1/ a new "strong bolivar" was announced on January 1st, 2008, equivalent to 1000 bolivars; 2/ in thousands

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