

CAD rises in industrial figures

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Positive data released from Canada including increased motor vehicle and wholesale sales did not seem to persuade investors to pile into the Canadian Dollar. These rises in industrial figures are expected to be short lived as the Bank of Canada expects economic activity to decrease over the next year. Canada's close relationship with the U.S and the significant drop in oil prices, one of Canada's major exports, has also maintained pressure on the Loonie.

Despite positive economic figures, the outlook for the CAD remains bearish with an anticipated drop in demand for raw materials weighing heavy on the economy and continues to be a major driving factor behind the currency. Employment figures out this week are expected to fall by 15,000, evidence that economic conditions are worsening.

The Canadian economy is expected to have experienced 0.3% rise in Q3 which is better than the predicted growth and shows that the economy may be more resilient than initially thought, many expected it to follow its southern neighbour into recession. Finance Minister Jim Flaherty is now forecasting a recession in Canada and expects the economy to contract in Q4 and Q1 of next year and the recession, not the positive GDP results, will be the focus for the BoC December interest rate decision