



**USA**

**Figures out today:**

USD	Chicago Fed National Activity Index (JUN)	12:30	08:30		0.21
USD	New Home Sales (MoM) (JUN)	14:00	10:00	6.7%	-32.7%
USD	New Home Sales (JUN)	14:00	10:00	320K	300K
USD	Dallas Fed Manufacturing Activity (JUL)	14:30	10:30	0.0%	-4.0%

**UK**

- (Reuters) - Sterling hit a three-month high against the dollar on Monday, tracking gains in the euro after a rise in Asian share prices and solid U.S. corporate earnings late last week boosted demand for riskier currencies. Sterling rose 0.3 percent on the day to \$1.5482, its highest level since late April.
- (Reuters) - House prices in England and Wales fell for the first time in 15 months in July, causing the annual rate to weaken for the first time in over a year, property data company Hometrack said on Monday. It said talk of public spending cuts had taken its toll on confidence, leading to 1.3 percent fewer new buyers registering with estate agents. The number of houses being put up for sale continued to rise, however. Hometrack's director of research, Richard Donnell, said the monthly drop marked a turning point for the housing market, and warned more falls were likely. "Further modest house price falls are inevitable over the second half of the year as the volume of homes for sale continues to rise and demand remains weak," he said. "It is hard to identify factors that will drive any marked increase in demand for housing in the coming months."

**Europe**

- Euro Falls as Stress Test Results Fail to Alleviate Banking Risk Concern: Bloomberg - The euro weakened against 12 of 16 major counterparts on speculation stress-test standards of European Union banks were too low to ease concerns that the region's debt crisis will spread. Europe's currency halted a two-day gain versus the dollar after regulators found seven banks need to raise a combined 3.5 billion euros (\$4.5 billion) of capital, underwhelming analysts who said the stress tests may not have been strict enough. The yen may rise against higher-yielding currencies on expectations a report tomorrow will show U.S. consumer confidence fell this month, boosting demand for Japan's currency as a refuge. "Initial reaction has been a disappointment about how far the stress tests went," said Mike Jones, a currency strategist at Bank of New Zealand Ltd. in Wellington. "There are some reasons for people to be more cautious going forward. With the euro, there are doubts the currency can sustain a rally above \$1.30. The euro's rally is running out of steam." The euro fell to \$1.2888 at 8:02 a.m. in Tokyo from \$1.2909 in New York on July 23. The 16-nation currency was at 112.80 yen from 112.90 yen. EU regulators scrutinized 91 of the bloc's banks to assess whether they have enough capital to withstand a recession and sovereign-debt crisis, with a Tier 1 capital ratio of 6 percent as a floor. Governments are seeking to reassure investors about the health of financial institutions after the debt crisis pummeled the bonds of Greece, Spain and Portugal.

**Australia and New Zealand**

- Australian, New Zealand Dollars Advance on Signs Global Growth Stabilizing: The Australian and New Zealand dollars rose to the strongest levels since May against the greenback as signs the global economy is stabilizing spurred demand for higher-yielding assets. The two currencies gained for a third day versus the yen as Asian stocks rallied after most European banks passed stressed tests and U.S. corporate earnings last week surpassed analyst forecasts. Australia's currency was boosted before a government report this week that economists said will show consumer prices rose at the fastest pace since September 2009. The Reserve Bank of Australia meets to review monetary policy on Aug. 3.

**Commodities**

- Crude Oil Trades Near \$79 as Asian Equities' Gain Bolsters Demand Outlook: Oil traded near \$79 a barrel in New York for a third day as advancing equities in Asia bolstered speculation the global recovery in fuel demand will be sustained. Oil for September delivery was at \$78.99 a barrel in electronic trading on the New York Mercantile Exchange, up 1 cent, at 1:05 p.m. Singapore time.
- Gold advanced, curbing this month's loss, on speculation that prices less than \$1,200 an ounce are helping to spur physical demand for the metal. Gold for immediate delivery rose 0.4 percent to \$1,193.35 at 12:56 p.m. in Singapore. The metal, which touched a record \$1,265.30 on June 21, has weakened 3.9 percent in July for the first decline in four months. August-delivery futures rose 0.4 percent to \$1,193.

**Compiled daily by Peter Cheek**