



Bank South Pacific

PO Box 37, Honiara, Solomon Islands

Friday

9-May-08 8.30am

Morning Market Report

Yesterday	8-May-08	SBD/AUD	
All Ords	up 43 pts to 5,801		
Dow Jones	up 53 pts to 12,867		
FTSE - 100	unchanged at 6,261		
Hang Seng	down 160 pts to 25,450		
Nikkei	down 159 pts to 13,943		
GOLD	USD881.10		
OIL	USD121.85		
Today	9-May-08		
Currency	Actual		
AUD/USD	0.9465	SBD/AUD	0.1363
GBP/USD	1.955	SBD/GBP	0.0656
Euro/USD	1.5407	SBD/Euro	0.0828
PGK/USD	0.3674	SBD/PGK	0.3410
USD/SGD	1.3625	SBD/SGD	0.1728
USD/HKD	7.772	SBD/HKD	0.9990
NZD/USD	0.777	SBD/NZD	0.1654
USD/JPY	103.25	SBD/JPY	13.1777
		SBD/USD	0.1283

The euro traded above an 8-week low against the USD after ECB President [Jean-Claude Trichet](#) said [inflation](#) remains the bank's top priority, signaling policy makers won't cut interest rates soon. Inflation will stay high "for a rather protracted period," Trichet said at a press conference in Athens following the ECB's decision to keep its main refinancing rate at 4% yesterday. Yen rose against all of the major currencies on concern slowing global growth will prompt investors to sell higher-yielding holdings funded in Japan. The euro traded was little changed at \$1.5401 at 6:10 a.m. in Tokyo, after erasing earlier losses that drove it as low as \$1.5285 yesterday

Malaysian bonds are attracting a record amount of foreign investment as rising prices for the nation's fuel and food exports swell its surplus and send the ringgit to the highest in a decade. The U.S. government didn't buy or sell [dollars](#) to affect foreign-exchange rates in the first quarter, the Federal Reserve Bank of New York said yesterday in a quarterly report to Congress. The New York Fed, which acts for the U.S. Treasury and the Federal Reserve System in the \$3.2 trillion daily currency market, hasn't stepped in to weaken or strengthen the dollar since September 2000.

The Canadian dollar fell for a 2nd day after a report showed new-home starts declined last month more than analysts forecast. Canada's dollar has depreciated against 14 of the 16 most-active currencies so far this year, weakening 1.8% versus its U.S. counterpart during the period. The CAD fell 0.8% to C\$1.0170 per U.S. dollar at 3:21 p.m. in Toronto.

Disclaimer: this report has been compiled in good faith from numerous sources, and is thought to be correct at the time of writing, however the Bank of South Pacific accepts no responsibility