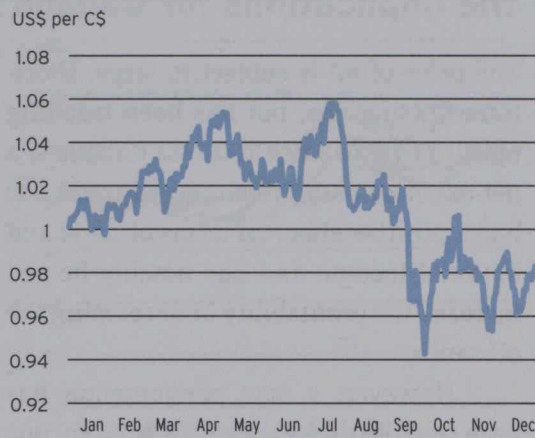


## The Canadian Dollar

After appreciating 10.9 percent against the U.S. dollar in 2010, the Canadian dollar continued to rise in 2011, although not as sharply. The 250-day average valuation of the Canadian dollar was US\$1.011 in 2011. That represented an appreciation of US4.01¢ over the year, or 4.1 percent. Relative to the other major currencies, the average yearly value of the Canadian dollar declined 0.8 percent against the European euro, 5.3 percent against the Japanese yen, but rose 0.4 percent against the British pound sterling.

As far as the yearly dynamics are concerned, the movement of the Canadian dollar against the U.S. dollar was restricted to a 12-cent band during the year (from US\$0.94 to US\$1.06). On January 4, 2011, the Canadian dollar was at parity with the U.S. dollar (US\$1.001), and from there its value rose slowly for four months to reach a high of US\$1.054 by the end of April. After retreating to US\$1.014 in June, it climbed again to US\$1.058 by late July. From there, the Canadian dollar gradually declined to parity in late September, and then lost over 3 percent of value on September 22. After hitting a low of US\$0.943 on October 4, it reached parity again at the end of October and a few more ups and downs at the end of the year brought it to US\$0.983 on December 30, the final trading day of the year.<sup>2</sup>

FIGURE 3-6  
C\$-US\$ Daily Exchange Rate (2011)



Source: Bank of Canada

<sup>2</sup> Bank of Canada daily noon exchange rate statistics at <http://www.bankofcanada.ca/rates/exchange/10-year-lookup/>.