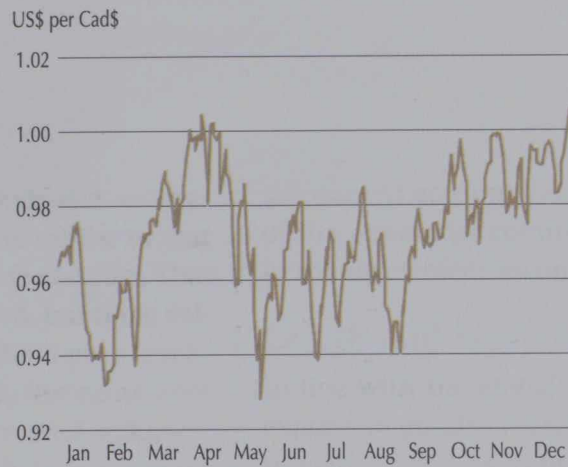


increase of 10.9 percent in its value against the U.S. dollar over the year. Relative to the other major currencies, and based on annual averages, the Canadian dollar also rose 3.8 percent against the yen, by 11.8 percent against the British pound sterling, and by 16.1 percent against the euro.

The Canadian dollar began the year at US96.4¢ on January 4, 2010. By the end of January, the dollar had sunk to US93.9¢, then began rising in the middle of April. On April 23, fears about European sovereign debt were realized when the Greek government requested a EU/IMF bailout package, and money markets began reacting by seeking safe haven in the U.S. dollar. As a result, the U.S. dollar appreciated against foreign currencies, including the Canadian dollar, which began to slide until it reached its low for the year, at US92.8¢ on May 25. The summer and early fall months were very turbulent and the dollar traded in a range between US93.8¢ and US98.1¢. By the end of October, it was again at the high end of this range and began a push that culminated with the Canadian dollar breaking through parity on December 31, the final trading day of the year.

FIGURE 3-5
Canada-U.S. Exchange Rate, 2010



Source: Statistics Canada.