

Financial market

Finance



Financial Market Financial Market As part of its global success, the Euro has become second most used exchange in transactions today. This currency has also led to the integration of the money markets across Europe and other parts of the world as part of its other success. Reports have also shown that the Euro accounts for over 35% of the daily dealings in the Forex market (Cohen, 2000). This success in the influences of Euro in forex markets has also led to a fall in the exchange rates against the dollar. The average exchange rate of the Euro to the dollar in the year 2009 shows relative stability of 1Euro/\$1. 3866. The value of the Euro to the dollar has shown the success in gaining value over the US dollar. In January 2009 the exchange rate was 1Euro/USD 1. 3866, in January 2010; the rate changed to 1Euro/USD 1. 4389. This upward trend shows that the Euro is getting stronger in the forex market as compared to the US dollar. In 2012, the value of exchange dropped to 1Euro/USD 1. 2458. Despite this drop, the value of the Euro is still higher than that of the US dollar.

The Japanese Yen is the domestic currency used in Japan. The Yen has developed a relative stability and its recent reputation has led to investors opting to use this currency as a secure investment for the dollar. In 2001 the exchange rate was 1\$/Yen 121. 2, in the year 2005, the Japanese Yen gained against the US dollar in the forex market where the exchange was 1\$/Yen110. 2. The trend continued where the Yen continued gaining against the US dollar. Even though today's exchange rate for the Yen to the dollar is still high at 1\$/Yen79. 8 the Yen has shown its success by increasing its value and minimizing the spread (Euromonitor International).

The Canadian dollar is also gaining popularity among the investors across various parts of the world. As part of its success, its increasing use in the <https://assignbuster.com/financial-market/>

forex markets has shown that investors have recognized its stability. This currency has a remarkable use in transactions and enjoys over 4% of all transactions in the foreign exchange market daily. This is remarkable success in the forex market for this currency. For instance, the exchange rate for the Canadian dollar in 2001 was 1\$/CAD1. 5 while in 2005, the exchange rate changed to 1USD/CAD1. 2; while in 2012, the exchange rate is 1USD/CAD1. 0. This shows that the Canadian dollar gained strength against the US dollar to exchange thus it can be termed as a success to the Canadian dollar at the expense of the US dollar.

The Swedish dollar is the Sweden's currency. Its transactional use is above the 2% of all transactions that happen daily. The last two years have seen the Riksbank, Sweden's Central Bank, work towards increasing the strength of the currency and has succeeded. The Swedish dollar was being exchanged at 1\$/SEK 10. 3 in 2001. As the years went by, the Swedish dollar continued to gain against the dollar. In the 2005, the rate changed to 1\$/SEK 7. 5 showing the gain in value of the Swedish dollar. In the year 2012, the US dollar has lost value against the Swedish dollar. The exchange rate increased to 1\$/ SEK6. 5 (Mico, 2005). The positive movement in the growth of the Swedish dollar has also increased its value and stability in the forex market. This is a notable success in the use of the Swedish dollar.

References

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