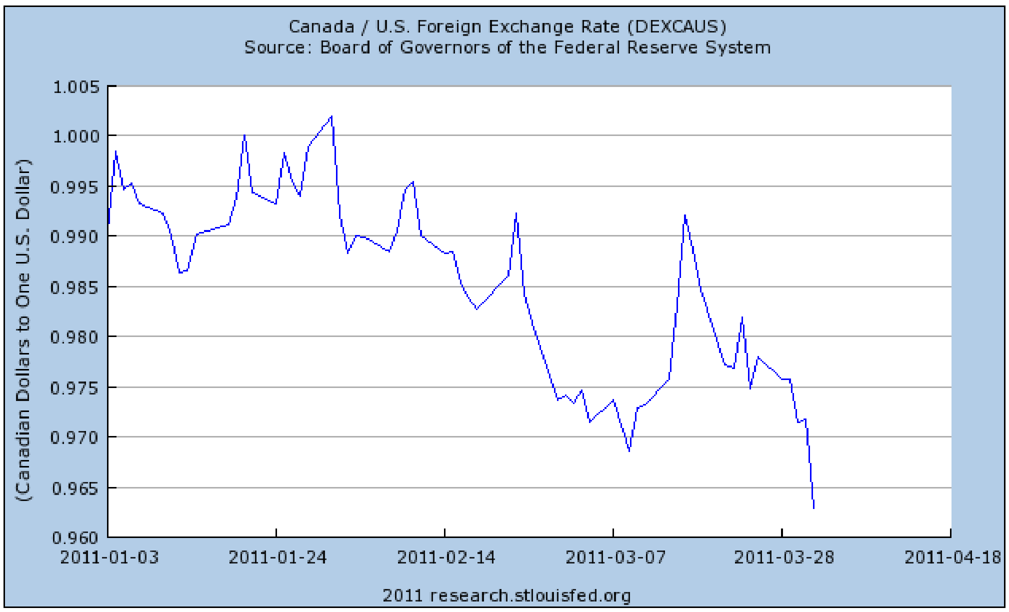
Report Prepared by C. S. Burks

Exchange Rates:

US Dollar vs. Other Currencies

This report shows daily exchange rates from January 2011 to March 2011 and contrasts the US dollar with the Canadian dollar, Japanese yen, Euro, Chinese yuan, Indian rupee, Mexican peso, British pound, South African Rand, and South Korean won. The US dollar has depreciated against all of these currencies, except for the Japanese yen.

Canadian $ / 1 US $



The US dollar has depreciated against the US dollar.

Japanese Yen/1$

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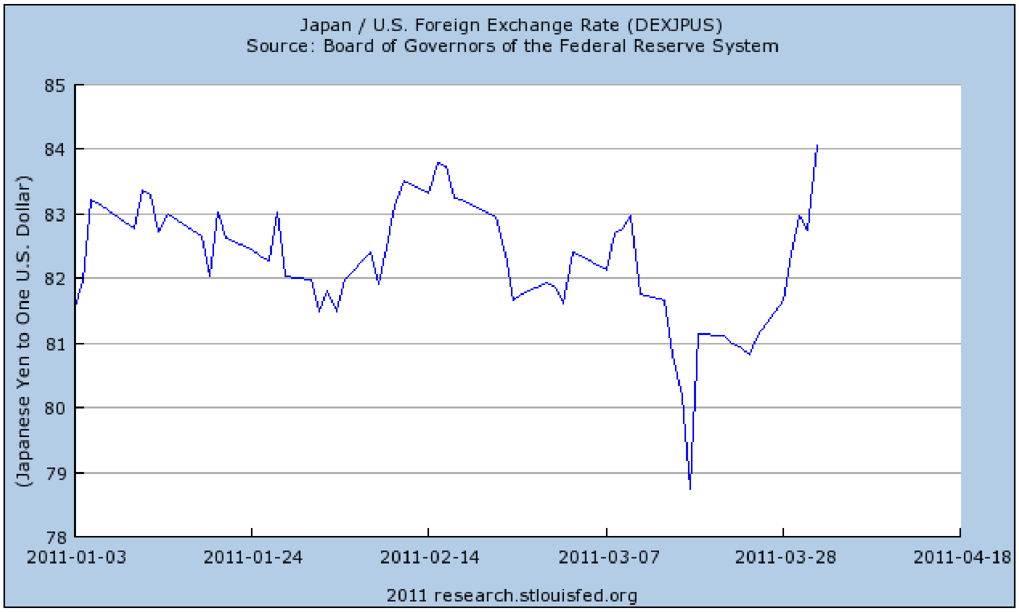
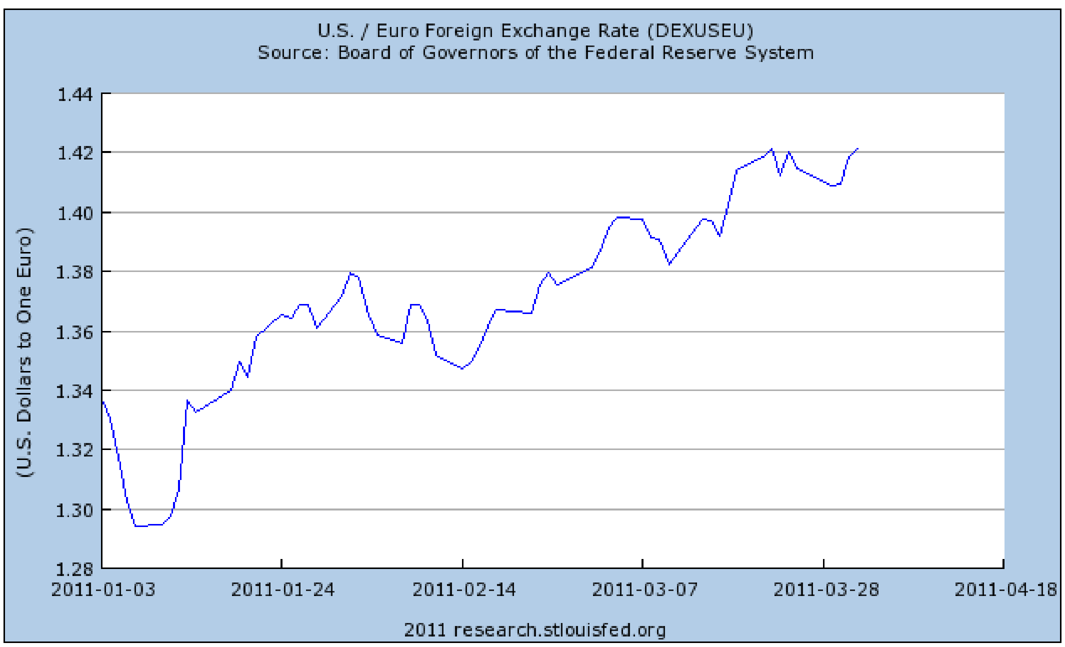


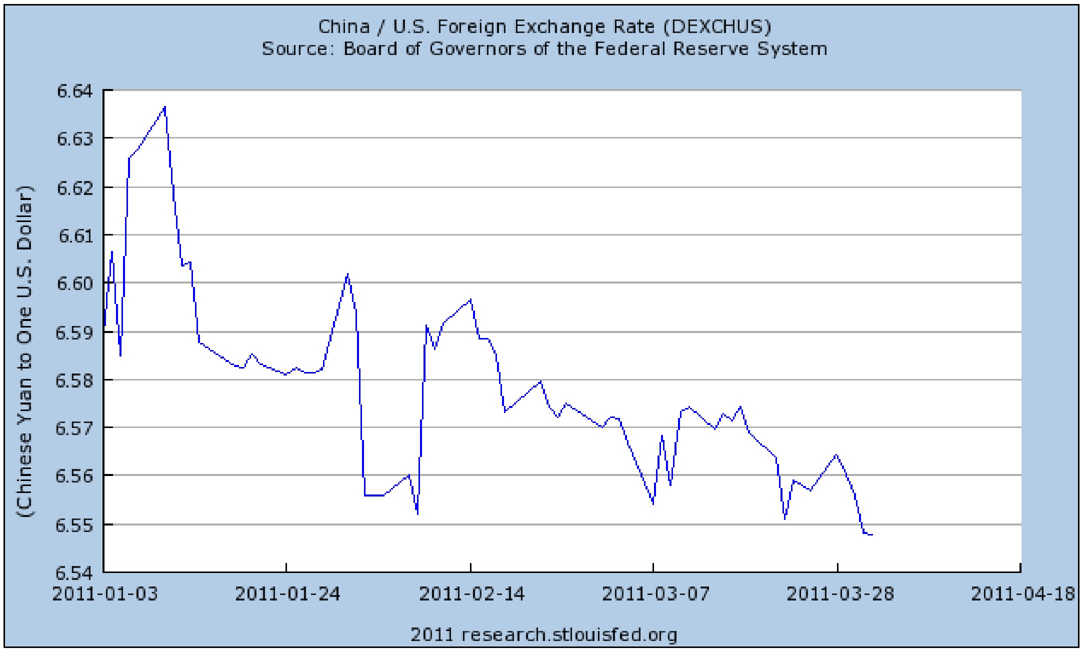
The US dollar has appreciated against the Yen. This is most likely do to the recent natural disasters in Japan.

$/ 1Euro



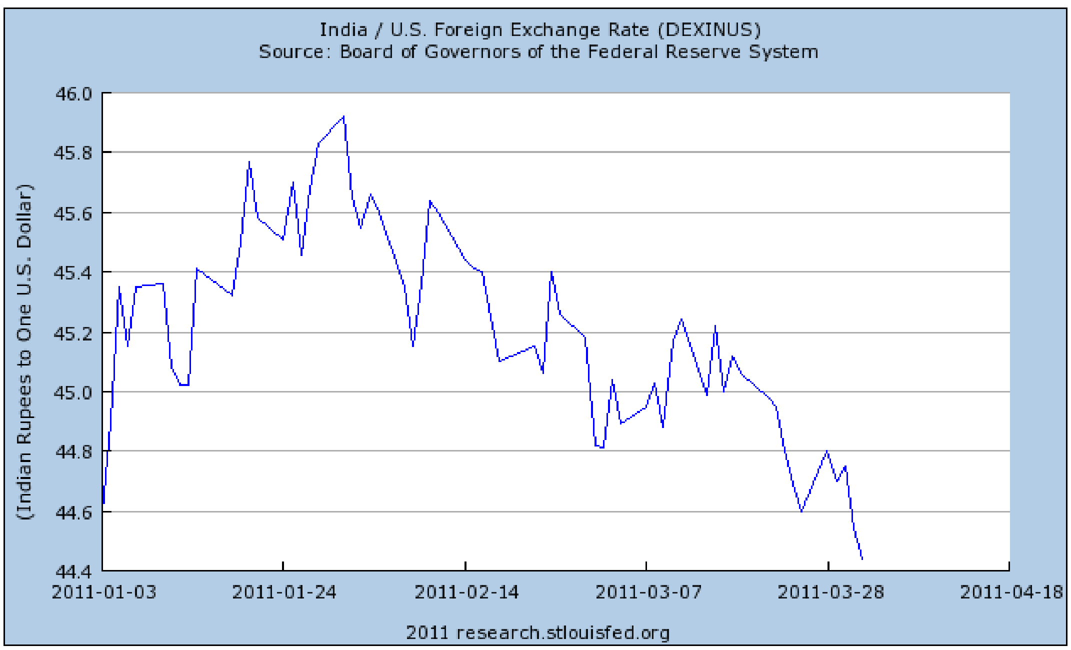
The US Dollar has depreciated against the Euro.

Chinese Yuan / $1



The US dollar has depreciated against the Yuan.

Indian Rupee / 1$



The US dollar has depreciated against the Rupee.

Mexican Peso / 1$

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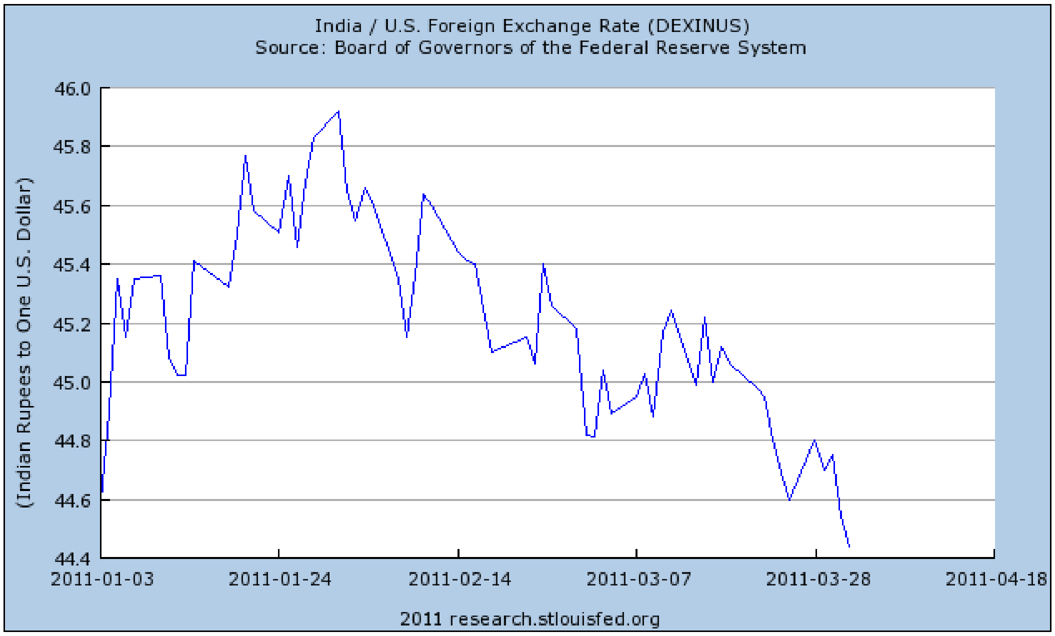
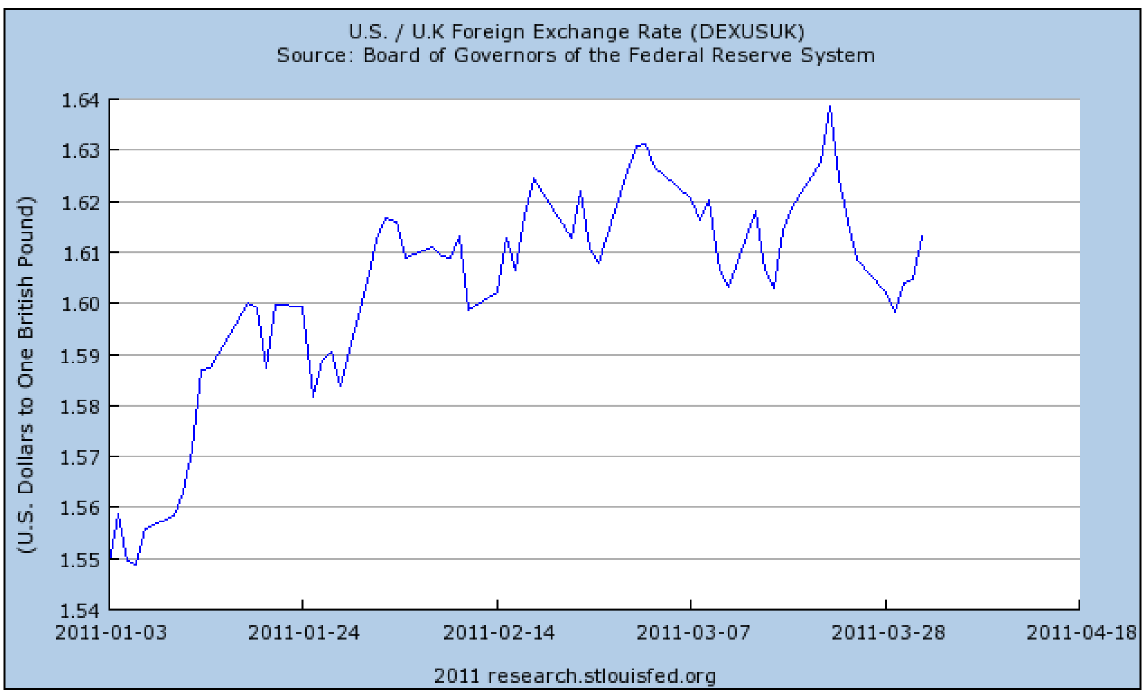


The US dollar has depreciated against the Mexican Peso.

$/1 Pound



The US Dollar has deprecated against the pound.

South African Rand/ 1$

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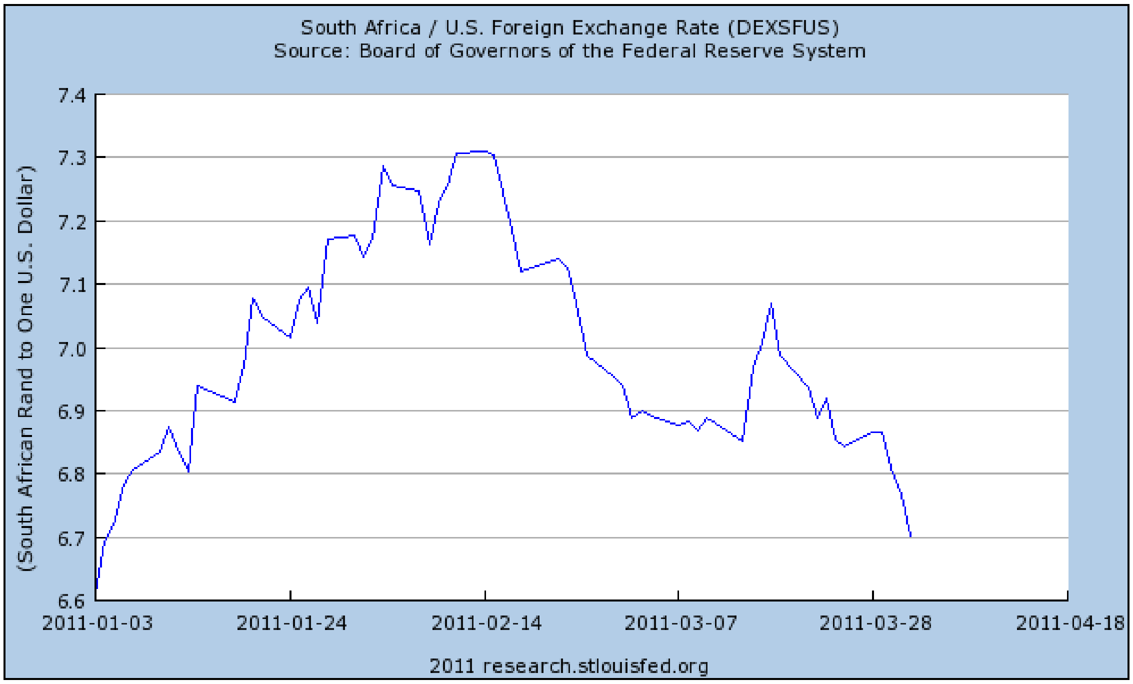
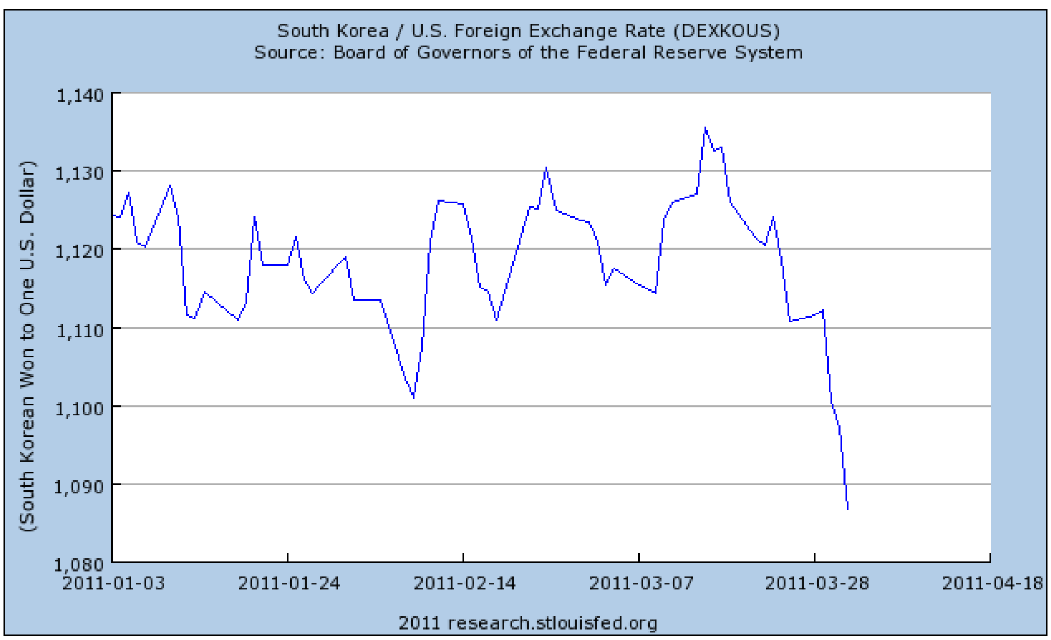


The dollar began to appreciate against the rand, but has since started to depreciate.

South Korean Won/1 $



The dollar has held fairly steady against the won, but has begun to depreciate a bit.

The depreciation of the dollar is probably due to the actions of the Federal Reserve, which has had rounds of “quantitative easing” also known as ‘printing’ money.

The monetary base has increased significantly since the last recession:

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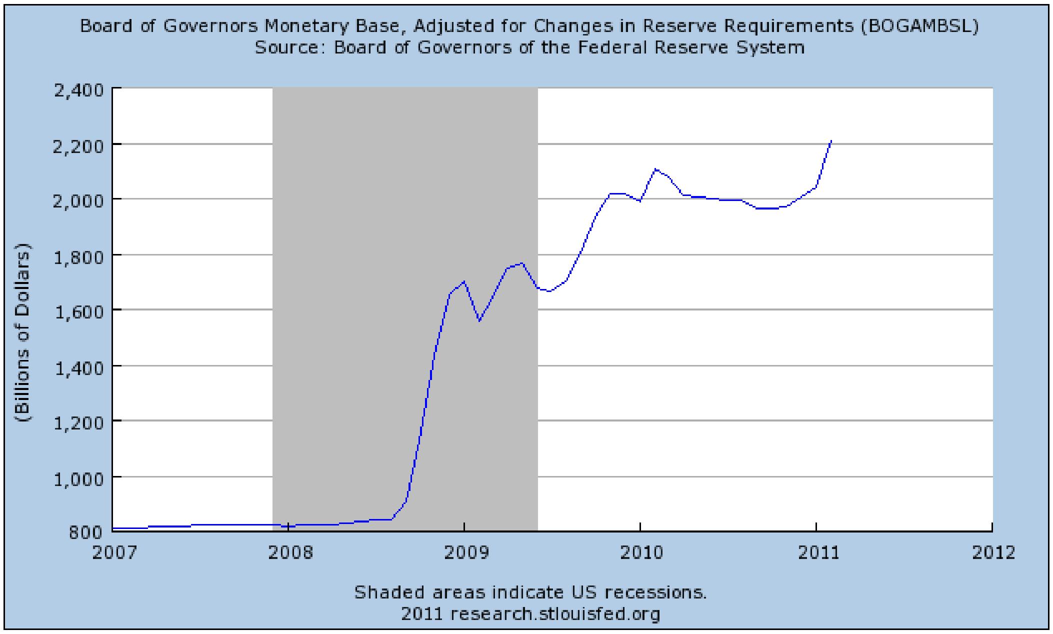
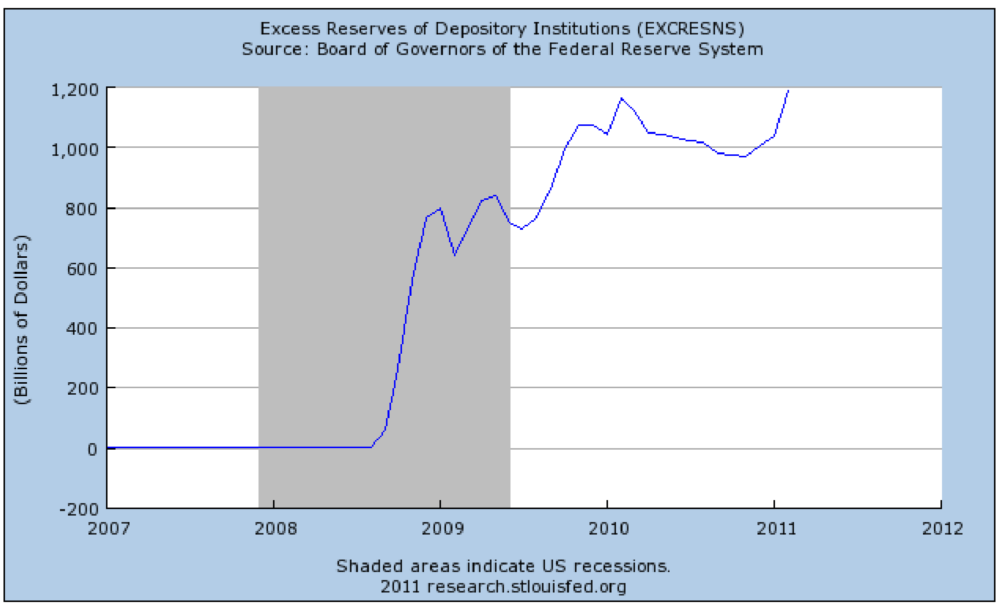


Much of this new money has been stored at financial institutions as excess reserves:



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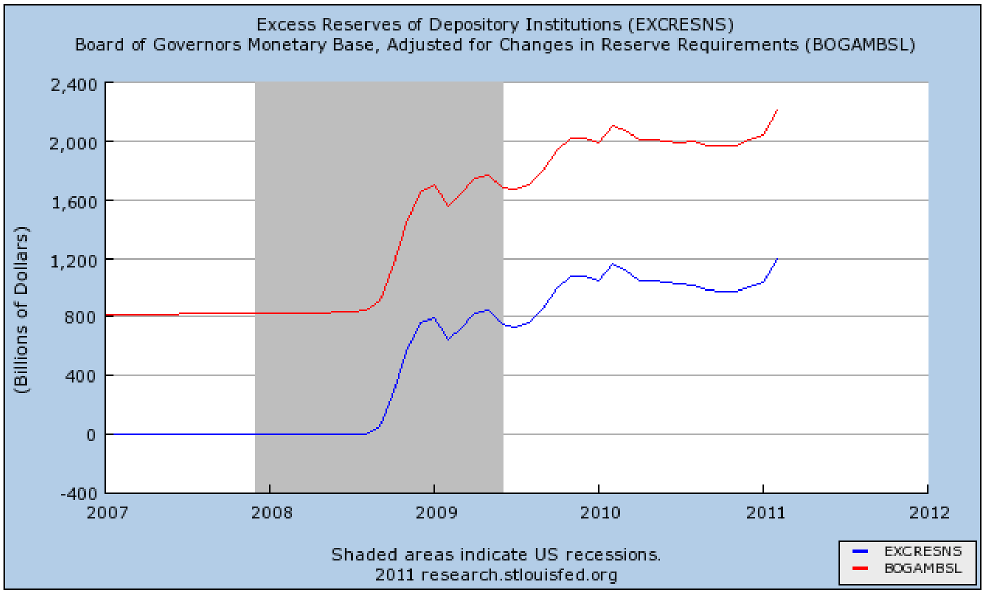
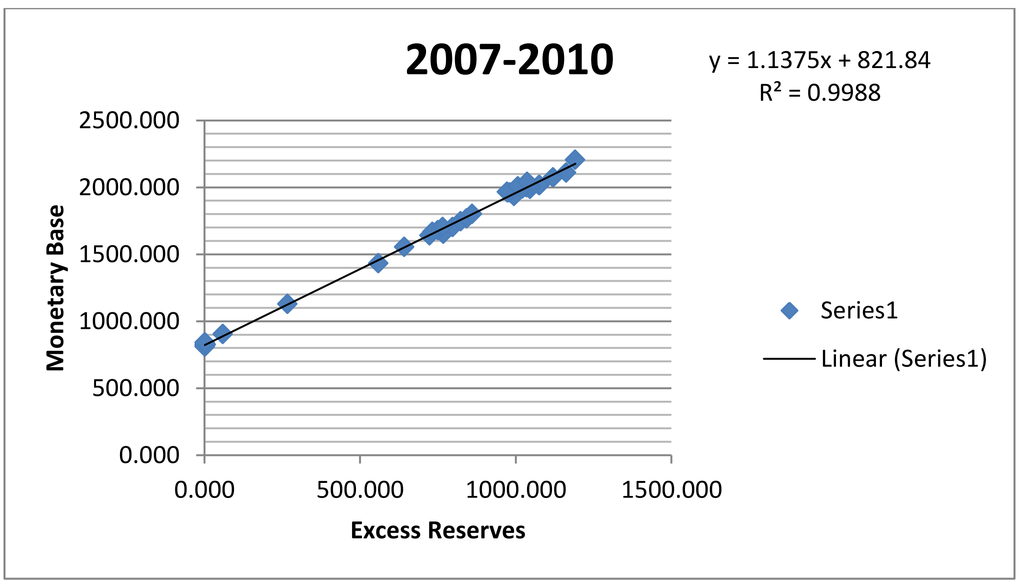


This graph shows the linear regression between the monetary base and excess reserves:



The regression shows a very strong relationship between the variables of 99.88%, with as slop of 1.1375, **where:**

$$Y = 1.1375x + 821.84$$

So:

$$\frac{D}{DX} = 1.1375$$