

Euro Slumps to 11-Year Low Against U.S. Dollar



Brussels, March 5 (RHC)-- The Euro's exchange rate has dropped to its lowest level against the dollar in 11 years due to speculations on the risks of the European Central Bank's new stimulus program.

The Euro marked its lowest level since September 2003 to settle below \$1.11 in currency trade markets on Wednesday, just one day ahead of a meeting by the European Central Bank governing board in the Cyprus capital Nicosia.

During the Thursday meeting, ECB President Mario Draghi will set to reveal details about the trillion-euro quantitative easing program slated for later this month. The new program aims to revive the EU economy by the quantitative easing, a policy implemented by a central bank through buying specified amounts of financial assets from commercial banks and other private institutions to raise the prices of those financial assets and lowering their yield.

Draghi had announced in January 2015 that the ECB plans to buy 60 billion (\$66.5 billion) worth of private and public bonds each month as of the beginning of March until September 2016. ECB officials believe not only will the 1.1-trillion euro program end the deflation in the 19-member bloc, but also it spurs the eurozone's economy.

However, international currency traders have a different outlook, predicting a future drop in the value of the Euro. Foreign exchange traders forecast the euro will drop to \$1.08 in six to 12 months.

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