



FX Strategy Briefing

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Dollar Likely to Test Resistance

- The dollar traded mixed on Monday. The S&P 500 slipped just 0.20 to 1,138.50. The euro pared overnight gains after Greek Prime Minister George Papandreou said “unprincipled speculators” need to be curtailed to prevent the fiscal crisis to spread. Earlier the single currency rose following French President Nicolas Sarkozy’s comment that the EMU is ready to help Greece if necessary and reports that Germany and France were planning to launch a European Monetary Fund to deal with sovereign debt problems. Unable to break resistance from its 50-day moving average, the USD/JPY declined modestly. Japan’s current account posted a sixth straight yearly expansion. Sterling was pressured by worries that the upcoming UK election will lead to a government without mandate to take forceful actions to solve UK economic problems. The AUD/USD touched the highest level in six weeks after Royal Dutch Shell Plc and PetroChina Co.’s A\$3.3 billion bid for Australia’s Arrow Energy Ltd. The USD/CAD was unable to break the important 1.02-area support despite stronger-than-expected Canadian housing starts.
- After reaching its strong resistance in the 81 area, the dollar index is currently consolidating gains. The overbought condition had been reduced. Unless the support from the uptrend in the 79 area is broken, a new test of the 81 area resistance will be possible. If this resistance is broken, the dollar index will possibly rally to the upper trading band of the trading channel in the 83 area.



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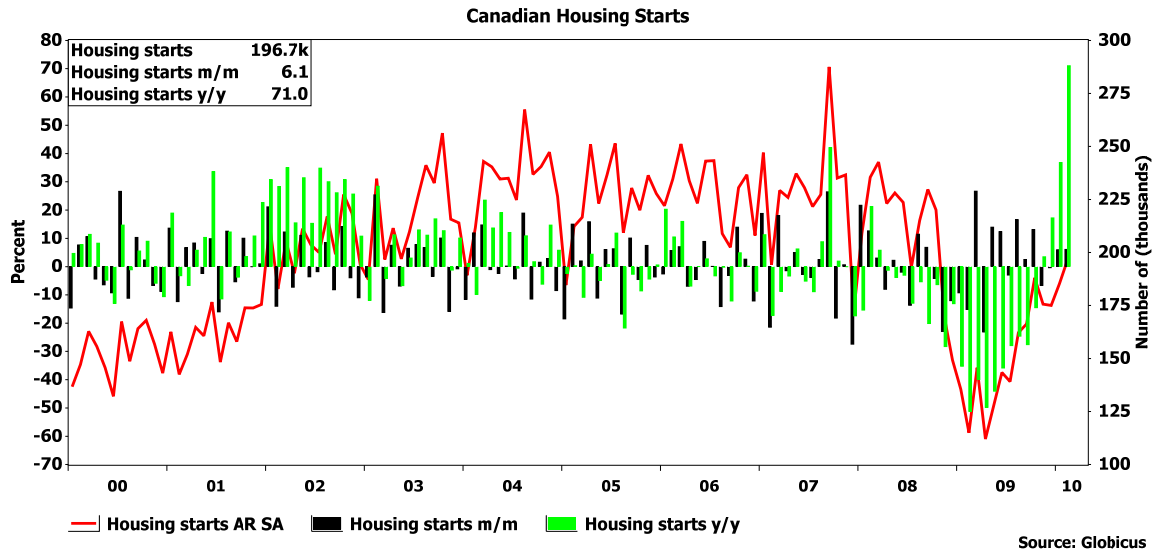
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Financial and Economic News and Comments

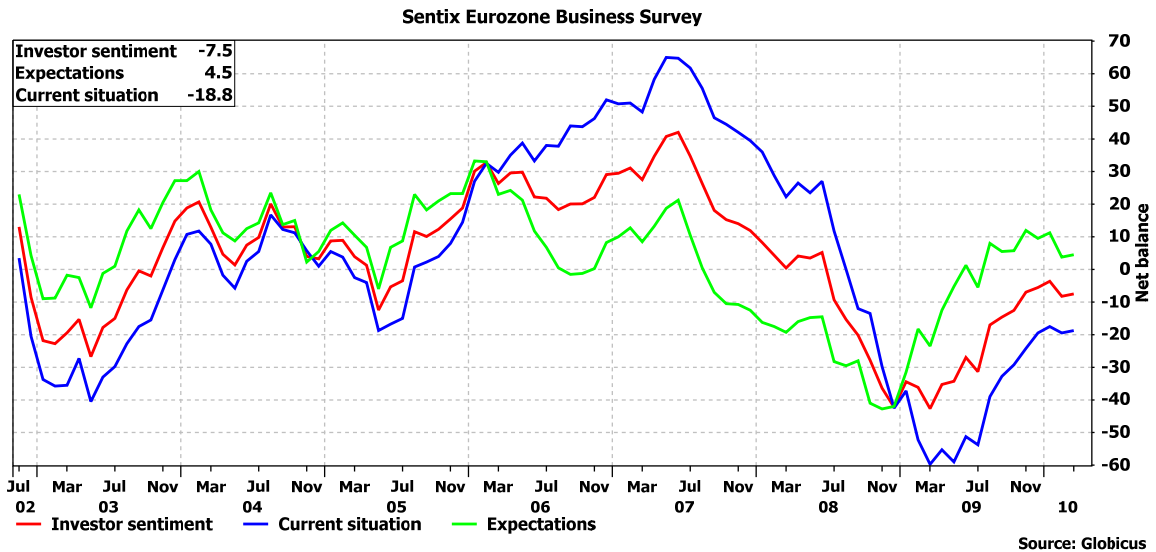
US & Canada

- Canada's seasonally adjusted housing starts rose 6.1% m/m to a higher-than-expected 196,700 annualized rate in February from a downwardly revised 185,400 annualized pace in January, according figures from Canada Mortgage and Housing Corporation. The February rise was led by a 19.1% m/m jump to 89,900 units in urban multiple starts and a 0.5% m/m increase to 89,200 units in single urban starts. February housing starts surged 71.0% y/y.



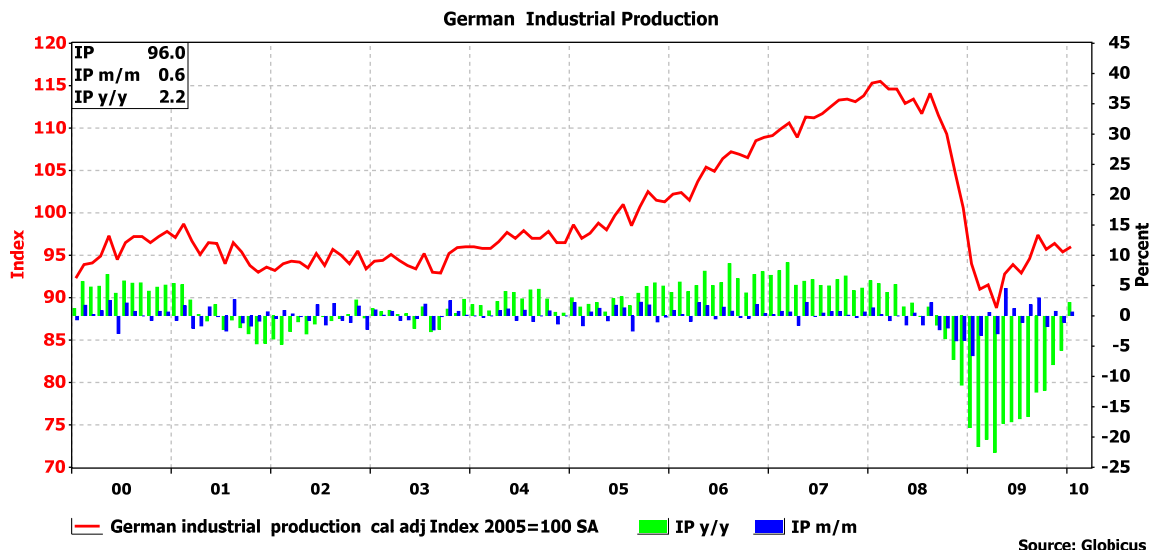
Europe

- The Sentix eurozone investor sentiment index advanced to a higher-than-expected -7.5 in March from -8.2 in February, suggesting eurozone investor confidence rebounded slightly from February's decline. The current situation index improved to -18.8 in March from -19.5 in February. The expectations index increased to 4.5 from February's 3.75.



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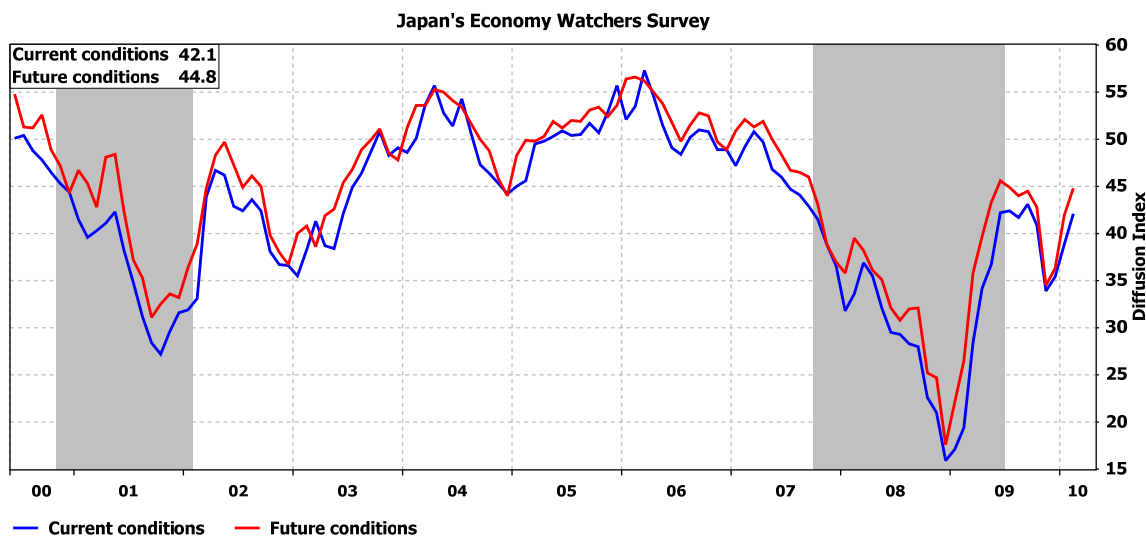
- Germany's seasonally adjusted industrial production advanced a less-than-expected 0.6% m/m in January, the sixth gain in 9 months, after a revised 1.0% m/m decline in December, IP data from the Federal Ministry of Economics and Technology showed. The January advance was led by gains of 8.8% m/m in energy output, 3.3% m/m in basic goods production, and 0.9% m/m in manufacturing output. January IP rose 2.2% y/y nsa wda, the first rise since August 2008, following a revised 5.7% y/y December decrease.



- Switzerland's seasonally adjusted unemployment rate was unchanged at 4.1% in February, while the non seasonally adjusted unemployment rate declined to 4.4% from January's 4.5%, according to data from the State Secretariat for Economic Affairs.
- Switzerland's real retail sales rose 4.4% y/y nsa in January after a downwardly revised 4.4% y/y rise in December, registering a second consecutive year-on-year gain, data from the Federal Statistical Office showed.

Asia-Pacific

- Japan's current account widened to a higher-than-expected ¥899.8 billion surplus (\$9.965 billion) in January, a sixth consecutive yearly expansion, from a ¥132.7 billion deficit a year earlier, but narrowed slightly from a ¥900.8 billion surplus in December, according to figures released by the Ministry of Finance. The ¥1032.5 billion current-account gap from a year earlier was the second highest jump since comparable records began in 1986. The adjusted current-account surplus rose to ¥1712.8 billion in January from an upwardly revised ¥1302.2 billion in December. The trade balance surplus shrank to ¥197.2 billion from December's ¥631.2 billion. Exports jumped 40.6% y/y in January, a second consecutive year-on-year gain and the largest since 1986, after an 11.7% y/y rise in December, while imports increased 7.1% y/y following December's 6.0% y/y decline.
- The Japanese current conditions index rose to a higher-than-expected 42.1 in February from 38.8 in January, indicating merchant confidence in Japan rose for a third consecutive month to a 5-month high, according to the Cabinet Office's latest economy watchers survey. The future conditions index increased to 44.8 from January's 41.9.



FX Strategy Update

	EUR/USD	USD/JPY	GBP/USD	USD/CHF	USD/CAD	AUD/USD	EUR/JPY
Primary Trend	Positive	Negative	Neutral	Negative	Negative	Positive	Neutral
Secondary Trend	Negative	Neutral	Neutral	Positive	Neutral	Neutral	Neutral
Outlook	Neutral	Positive	Negative	Neutral	Neutral	Neutral	Neutral
Action	Sell	Buy	None	Buy	None	None	None
Current	1.3630	90.32	1.5060	1.0732	1.0271	0.9092	123.10
Original Position	1.4628	88.67	N/A	1.0340	N/A	N/A	N/A
Objective	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stop	1.4060	87.30	N/A	1.0345	N/A	N/A	N/A
Support	1.3550	88.00	1.5000	1.0500	1.0250	0.8800	120.00
Resistance	1.3400	86.00	1.4800	1.0200	1.0000	0.8400	116.00
	1.3850	92.00	1.5200	1.0850	1.0400	0.9100	126.00
	1.4050	94.00	1.5500	1.1100	1.0600	0.9350	130.00

Tuesday's Economic Calendar

Time (EDT)	Region	Data	Period	Change	Forecast	Previous
0:00	Japan	LEI	Jan P		96.7	94.3
0:00	Japan	Coincident index	Jan P		99.7	97.4
1:00	Japan	Machine tool orders	Feb P	y/y		189.4%
3:15	Switzerland	CPI	Feb	m/m	0.2%	-0.1%
3:15	Switzerland	CPI	Feb	y/y	1.0%	1.0%
5:30	UK	Total trade balance	Jan		-£3.0B	-£3.3B
5:30	UK	Visible trade balance	Jan		-£7.0B	-£7.3B
5:30	UK	Trade balance w. non EU	Jan		-£3.3B	-£3.6B
7:30	US	NFIB small business optimism	Feb			89.3
18:30	Australia	Westpac-Melbourne Institute	Mar	m/m		-2.6%

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Time (EDT)	Region	Data	Period	Change	Forecast	Previous
		consumer sentiment index				
18:50	Japan	Core machinery orders	Jan	m/m		20.1%
18:50	Japan	Core machinery orders	Jan	y/y		-1.5%
18:50	Japan	Domestic corporate goods price index	Feb	m/m	0.1%	0.3%
18:50	Japan	Domestic corporate goods price index	Feb	y/y	-1.5%	-2.1%
20:30	Australia	Home loans	Jan	m/m	2.3%	-5.5%
20:30	Australia	Investment lending	Jan	m/m		1.9%
20:30	Australia	Value of loans	Jan	m/m		-4.7%

Notes: N/A=not applicable/not available, ar=annual rate, sa=seasonally adjusted, nsa=non-seasonally adjusted, wda=working days adjusted, 3 mths=3 months, m/m=month-on-month, q/q=quarter-on-quarter, y/y=year-on-year, ytd=year-to-date, m=million, b=billion, t=trillion, unch=unchanged, a=advance, p=preliminary, r=revised, f=final, GDP=gross domestic product, CPI=consumer price index, LEI=leading economic indicators index, PPI=producer price index, PMI=purchasing managers index

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New York, March 8, 2010, 17:22 EDT