



FX Strategy Briefing

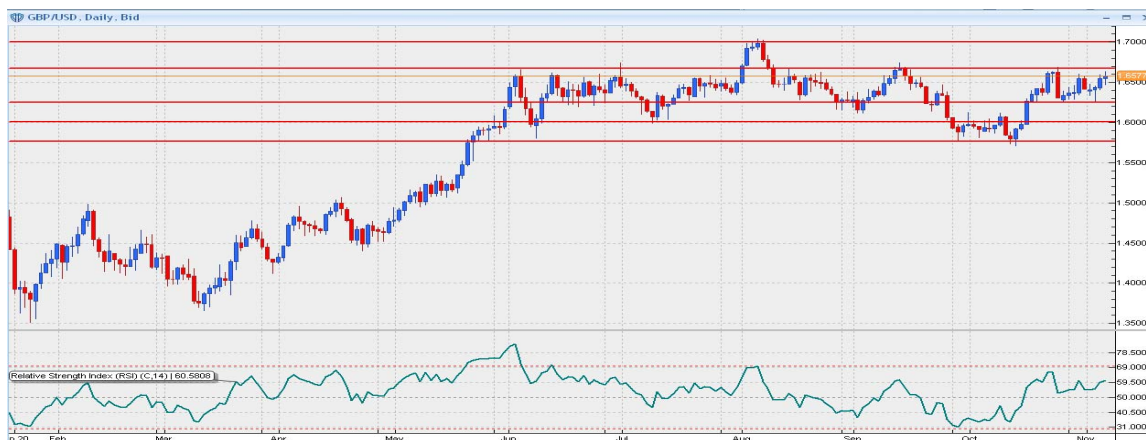
November 5, 2009

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Dollar Mixed as Stocks Rally

- The dollar traded mixed ahead of Friday's release of US payroll data. US productivity surged for a second quarter and jobless claims declined more than expected. The S&P 500 rose 20.13 to 1,066.63, supported by those good economic news and an optimistic outlook from the technology giant Cisco. The stock market rally did not pressure the dollar and yen as it had been the case lately. It will be interesting to see if this is the beginning of the breakdown of the negative correlation between the dollar and stock market. The yen fell slightly for a fourth day. The euro rose modestly. The European Central Bank kept its benchmark interest rate at 1.00%, as expected. ECB President Jean-Claude Trichet said the ECB plans to phase out its unlimited liquidity operations next year. Extraordinary liquidity measures will be "phased out in a timely and gradual fashion" in order to "counter effectively any threat to price stability over the medium to longer term," Trichet said. The Australian dollar gained modestly. Australia's trade deficit widened less than expected. The Canadian dollar declined slightly. Canadian building permits increased for a second month.
- The GBP/USD rose today, supported by data on improving UK industrial output as well as the Bank of England's decision to expand its asset purchase plan by less than expected. The BOE maintained its key interest rate at 0.50%, as forecast. The GBP/USD, having been trading sideways since the early summer, is approaching important resistance. If this resistance is broken, the pair will likely test the 1.70 cycle high. Supports are in the 1.62 and 1.60 areas.



*Expert Market Commentaries, charts and information are provided by Hans Nilsson of Globicus International, Inc., a registered third party CTA, are intended for educational purposes only and do not constitute trading recommendations.

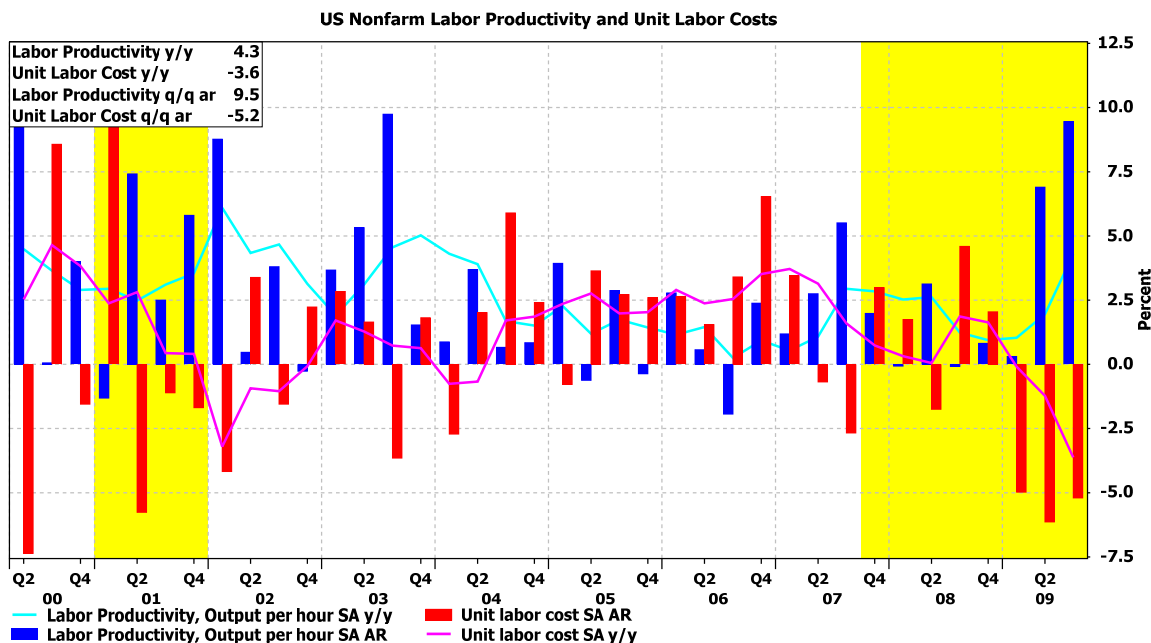
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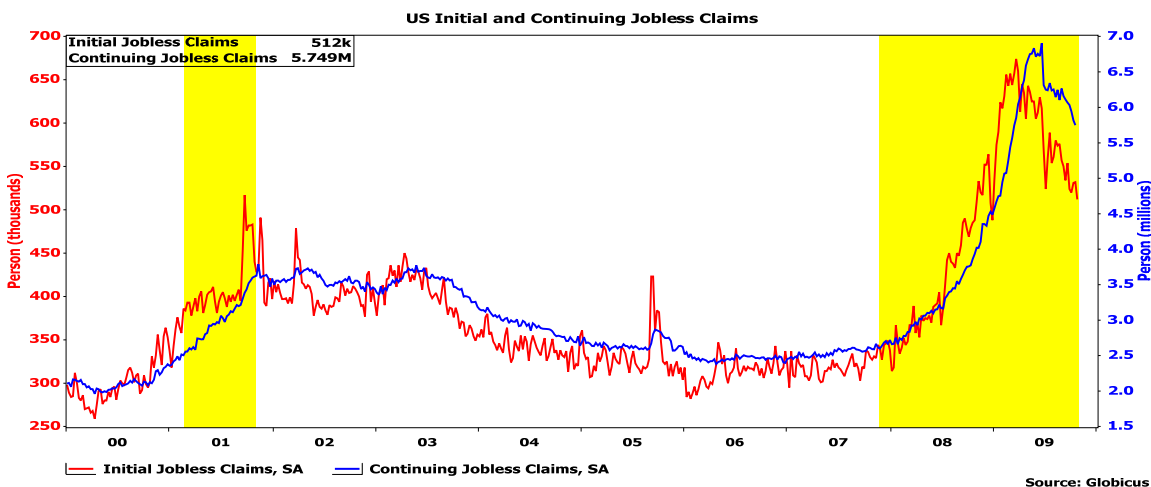
Financial and Economic News and Comments

US & Canada

- US nonfarm productivity jumped more than expected in Q3 2009 at a 9.5% q/q annualized rate, the fastest pace in six years, after an upwardly revised 6.9% q/q pace in Q2, registering the largest back-to-back gain in productivity since 1961, according to data from the Labor Department. Nonfarm productivity climbed 4.3% y/y. Unit labor costs fell more than expected at a 5.2% q/q annualized rate in Q3 after falling at a revised 6.1% q/q pace in Q2, marking the largest 12-month decrease since records started in 1948. Unit labor costs declined 3.6% y/y.



- US initial jobless claims in the week ending October 31 fell a more-than-expected 20,000 to 512,000, the lowest level since the first week of January 2009, from the previous week's upwardly revised 532,000, figures from the Labor Department showed. The 4-week moving average of new jobless claims declined 3,000 to 523,750. Continuing claims in the week ending October 24 decreased 68,000 to 5,749,000 from the preceding week's upwardly revised 5,817,000. The 4-week moving average of those continuing claims fell 79,500 to 5,886,250. The insured unemployment rate for the week ending October 24 was unchanged at 4.4%.

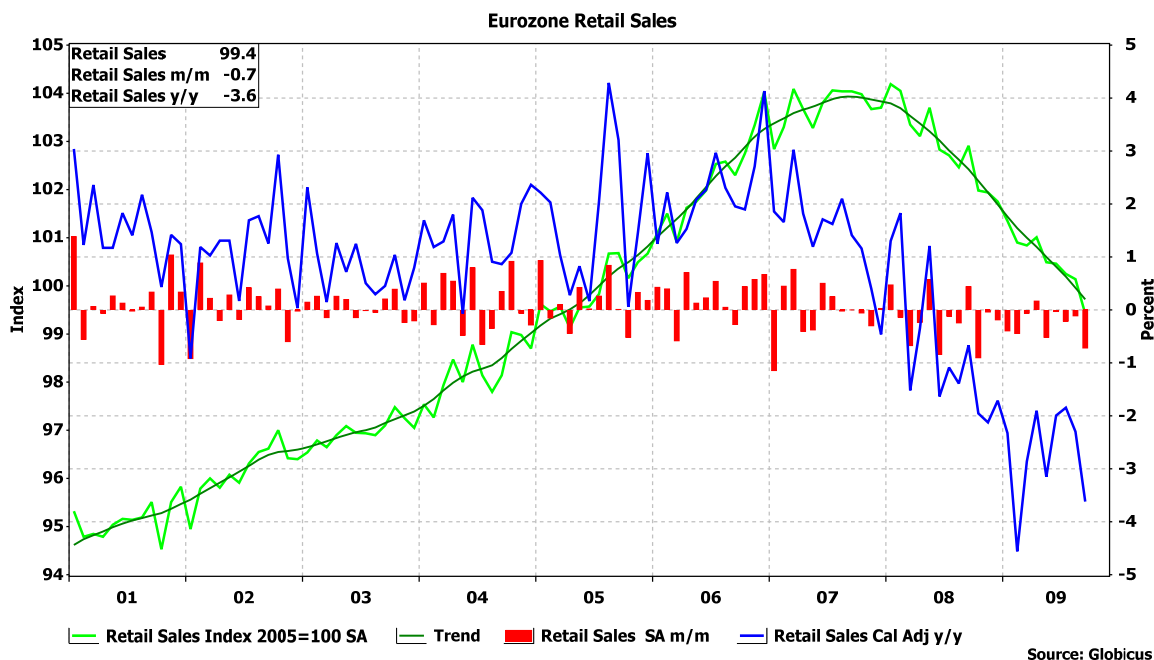


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- Canada's building permits rose for a second month in September, rising 1.6% m/m to C\$5.1 billion (\$4.7 billion), after an upwardly revised 7.4% m/m gain in August, according to figures released by Statistics Canada. The September rise was led by residential permits, which climbed 9.4% m/m to C\$3.2 billion, the highest level since September 2008. Meanwhile, non-residential permits decreased 9.1% m/m to C\$1.9 billion in September.
- Canada's Ivey PMI declined less than expected to 61.2 in October from 61.7 in September, suggesting business spending in Canada slowed slightly last month, according to data from the Richard Ivey School of Business and the Purchasing Management Association of Canada. A reading above 50 means the number of firms saying business improved was greater than the number saying it deteriorated.

Europe

- Eurozone retail sales unexpectedly fell 0.7% m/m in September, the fourth fall in 5 months, after a revised 0.1% m/m decline in August, according to data released by Eurostat. September retail sales fell 3.6% y/y, a 16th year-on-year fall, following a revised 2.3% y/y August decrease.



- Switzerland's consumer prices increased 0.6% m/m in October, in line with expectations, after being unchanged m/m in September, according to CPI data from the Swiss Federal Statistical Office. The CPI fell 0.8% y/y, following September's 0.9% y/y decrease.
- UK manufacturing production rose a more-than-expected 1.7% m/m in September, the largest gain since July 2002, after a revised 2.0% m/m decline in August, data from the Office for National Statistics showed. September manufacturing production fell 9.3% y/y, moderating from a revised 11.6% y/y August drop. Overall industrial production gained a more-than-expected 1.6% m/m in September and declined 10.3% y/y.
- The Bank of England left its key interest rate unchanged at 0.50%, as forecast, and raised the amount of its asset purchase program to £200 billion (\$328 billion), the smallest increase since the program began in March, from £175 billion.
- The European Central Bank maintained its benchmark rate at 1.00%, as expected, and signaled its first step toward removing emergency stimulus measures. ECB President Jean-Claude trichet said "not all our liquidity measures will be needed to the same extent as in the past" as the economy recovers, asserting that "the Governing Council will make sure that the extraordinary liquidity measures taken are phased out in a timely

and gradual fashion and that the liquidity provided is absorbed in order to counter effectively any threat to price stability over the medium to longer term.”

Asia-Pacific

- Australia's trade deficit widened less than expected to A\$1.849 billion (\$1.67 billion) in September from A\$1.651 billion in August, data from the Australian Bureau of Statistics showed. Exports rose 5.0% m/m to A\$20.214 billion in September, the largest increase since October 2008, led by increased shipments of coal and gold. Imports rose 5.0% m/m to A\$22.064 billion in September, driven by a 2.0% m/m increase in consumption goods shipments.
- The Bank of Japan signaled ending emergency programs is not a precursor to interest-rate increases, according to minutes of the October 13-14 BOJ policy meeting released today. The minutes read: “First, many members said that, regardless of the manner of dealing with temporary measures, it was most important that the Bank clearly explain its basic policy stance of steadily implementing measures to maintain the accommodative financial environment. And second, a few members, referring to the possibility that the size of the Bank's balance sheet might shrink when its intervention in markets became less necessary with improvement in market functioning, said that the Bank, to avoid a possible misunderstanding, should carefully explain that the contraction in the size of its balance sheet did not mean a shift in its monetary easing stance.”

FX Strategy Update

	EUR/USD	USD/JPY	GBP/USD	USD/CHF	USD/CAD	AUD/USD	EUR/JPY
Primary Trend	Positive	Negative	Positive	Negative	Negative	Positive	Neutral
Secondary Trend	Neutral	Neutral	Neutral	Positive	Neutral	Positive	Neutral
Outlook	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
Action	None	Buy	Sell	Buy	None	Buy	None
Current	1.4869	90.75	1.6578	1.0163	1.0661	0.9095	134.95
Original Position	N/A	88.58	1.6602	1.0385	1.0891	0.6601	N/A
Objective	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stop	N/A	86.50	1.6750	0.9980	1.0600	0.8570	N/A
Support	1.4680 1.4480	90.00 87.00	1.6250 1.6000	1.0100 0.9800	1.0500 1.0000	0.8800 0.8500	132.00 130.00
Resistance	1.5050 1.5400	92.50 94.50	1.6700 1.7000	1.0450 1.0600	1.1000 1.1300	0.9200 0.9350	136.00 139.00

Friday's Economic Calendar

Time (EDT)	Region	Data	Period	Change	Forecast	Previous
0:00	Japan	Leading economic index	Sep P		86.2	83.2
0:00	Japan	Coincident index	Sep P		92.5	91.2
0:30	Australia	Foreign reserves	Oct			A\$48.9B
1:20	Australia	Reserve Bank of Australia Deputy Governor Ric Battellino speaks in Perth				
1:45	Switzerland	Unemployment rate	Oct		4.0%	3.9%
1:45	Switzerland	Unemployment rate sa	Oct		4.2%	4.1%
4:30	UK	PPI input nsa	Oct	m/m	1.5%	-0.5%

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Time (EDT)	Region	Data	Period	Change	Forecast	Previous
4:30	UK	PPI input nsa	Oct	y/y	-1.3%	-6.5%
4:30	UK	PPI output nsa	Oct	m/m	0.3%	0.5%
4:30	UK	PPI output nsa	Oct	y/y	1.8%	0.4%
4:30	UK	Core PPI output nsa	Oct	m/m	0.2%	0.5%
4:30	UK	Core PPI output nsa	Oct	y/y	2.0%	1.4%
6:00	Germany	Factory orders sa	Sep	m/m	1.0%	1.4%
6:00	Germany	Factory orders nsa	Sep	y/y	-13.7%	-20.4%
7:00	Canada	Net change in employment	Oct		10.1K	30.6K
7:00	Canada	Unemployment rate	Oct		8.4%	8.4%
8:30	US	Change in nonfarm payrolls	Oct		-175K	-263K
8:30	US	Unemployment rate	Oct		9.9%	9.8%
8:30	US	Average hourly earnings	Oct	m/m	0.1%	0.1%
8:30	US	Average hourly earnings	Oct	y/y	2.2%	2.5%
8:30	US	Average weekly hours	Oct		33.1	33.0
9:45	US	Fed's Evans opens community bankers conference in Chicago				
10:00	US	Wholesale inventories	Sep	m/m	-0.9%	-1.3%
15:00	US	Consumer credit	Sep		-\$10.0B	-\$12.0B
15:00	US	Fed's Duke speaks to community bankers conference in Chicago				

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, PPI=producer price index, PMI=purchasing managers index

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New York, November 5, 2009, 17:25 EDT