

Key Economic Releases for October 28, 2008

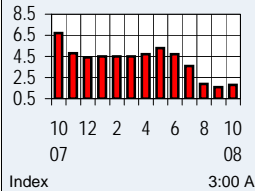
4:45 PM Levels

Currency Pairs Current Levels

CCY	Last PX	Chg in Pips	Prev Close
EURUSD	1.2510	-72	1.2582
GBPUSD	1.5587	-315	1.5902
USDJPY	93.02	-161	94.63
USDCHF	1.1544	-155	1.1699
USDCAD	1.2924	198	1.2726
AUDUSD	0.6010	-186	0.6196
NZDUSD	0.5394	-196	0.5590
GBPJPY	144.93	-553	150.46
EURJPY	116.39	-267	119.06
AUDJPY	55.98	-267	58.65
EURGBP	0.8024	110	0.7914
GBPCHF	1.7992	-610	1.8602
EURCHF	1.4443	-281	1.4724
AUDNZD	1.1128	58	1.1070

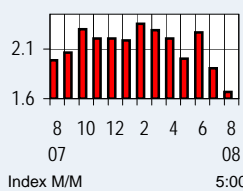
Est: +1.5% versus 1.8% last

German Consumer Confidence



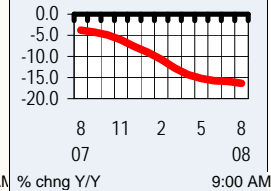
Last 1.618 - lowest level

Swiss UBS Consumption Indicator



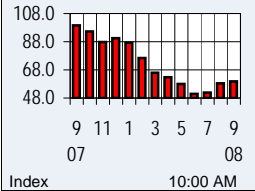
Est: -16.6% versus -16.3%

UK S&P/Case Schiller HPI (20 cities)



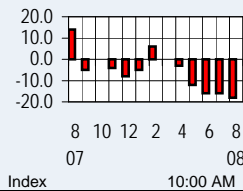
Est: 52.2 versus 59.8 last

US Conference Board Consumer Confidence



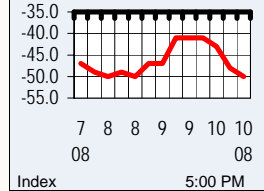
Est: -23 versus -18 last mo.

US Richmond Fed. Manufacturing Index



Est: -51 versus -50

US ABC Consumer Confidence

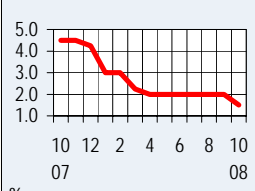


Market Data

Instrmnt	Last	Change	Prev Close	Time
US 2Yr	1.545%	0.032%	1.512%	4:34:00 PM
US 5Yr	2.598%	0.017%	2.581%	4:40:00 PM
3MO LIBR	3.5075%	-0.0088%	3.5163%	7:35:00 AM
3M T-BILL	0.75%	-0.09%	0.84%	4:21:00 PM
DJIA	8,175.77	-203.18	8,378.95	4:30:18 PM
Nasdaq	1,505.9	-46.13	1,552	4:45:06 PM
UK FTSE	3,852.6	-30.77	3,883.4	12:48:03 PM
Germ Dax	4,334.64	38.97	4,295.67	3:29:45 PM
Nikkei	7,162.90	-486.18	7,649.08	3:00:16 AM
CRB	258.190	2.190	256.000	3:15:14 PM
Crude Oil	62.160	-1.990	64.150	4:15:12 PM
Gold	731.300	1.000	730.300	4:14:56 PM
Copper	177.90	9.25	168.65	4:15:11 PM

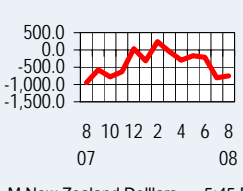
Est: 1.0% cut of 50 BP

US Fed Funds Target Rate



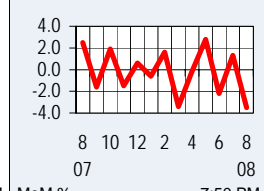
Est: -550 M versus -750 M

New Zealand Trade Balance



Est: +0.4% versus -3.5%

Preliminary Japan Industrial Production



Key Events and Speakers

- 8:00 AM Former Feds Volker speaks on Econ.
- 12:00 PM BOC Schembri speaks
- 1:20 PM Bank of England Besley speaks
- Oct 28-29 FOMC 2-day meeting begins

Market Recap for Today

Once again the currency market saw the dollar get stronger against the EUR and GBP but fall vs. the Yen and the Swiss Franc. The GBP felt the brunt of the downside falling to a low of 1.5265, a level not seen since Aug 2002, before it rebounded during the NY session. The Sterling weakness was magnified by continued liquidation of the crosses. GBPJPY fell by an additional 553 pips, while GBPCHF fell by 610 pips from Friday's closing levels. The currency continues to decline on the hangover from the weaker than expected GDP announced last week. The DJIA lost another 203 points. The Nasdaq shed 46 points and the Nikkei closed at the lowest level since 1983. There was talk of the potential for G7 intervention in the Yen as continued unwinding of the carry trades pushes the currency higher. A rapidly rising Yen is pressuring exporters as a stronger currency makes exports more expensive. USDJPY reached levels that have not traded since 1995. Later French Finance Minister refuted the intervention chatter. However, the seeds were placed in traders minds and may slow the decline. The Fed started the CP Funding Facility. 3 month LIBOR came in at 3.5075%. US New Home Sales were higher. Trichet covered all his bases but could not say they were cutting rates.

On Tap for Tomorrow

The 2 day FOMC meeting starts. The expectation is for a decline to 50 basis points. Other key release will be the Case Schiller Home Price index for September. New Home Sales and Existing Home sales were reported stronger for September but at the expense of prices. Will those price declines be reflected in the CS report? The expectation is for a decline of 16.6% YoY versus 16.3% last month. Consumer confidence out of German and the US are expected to show weakness, as is Retail Sales in Switzerland. Later in the evening the NZ Trade Balance is expected to rebound to a deficit of 550 M NZ\$ but the expectation going forward is weaker export sales.

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