

Key Economic Releases for December 16th

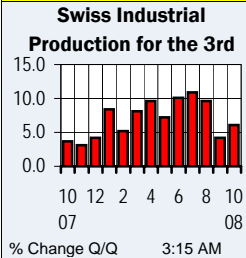
4:53 PM

Currency Pairs Current Levels

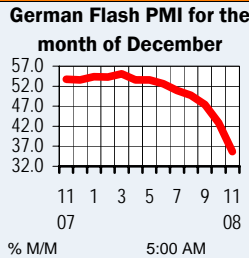
CCY	Last PX	ChgPips	High	Low
EURUSD	1.3695	325	1.3722	1.3367
GBPUSD	1.5312	364	1.5379	1.4920
USDJPY	90.62	-54	91.36	90.25
USDCHE	1.1591	-176	1.1770	1.1566
USDCAD	1.2340	-139	1.2465	1.2232
AUDUSD	0.6688	44	0.6746	0.6612
NZDUSD	0.5548	80	0.5567	0.5428
GBPJPY	138.76	240	139.21	135.30
EURJPY	124.09	227	124.57	121.65
AUDJPY	60.58	6	61.14	60.07
CADJPY	73.42	41	74.10	72.71
EURGBP	0.8945	2	0.9021	0.8887
GBPCHF	1.7743	143	1.7831	1.7502
EURCHF	1.5873	117	1.5881	1.5722
AUDNZD	1.2052	-93	1.2175	1.1996

* rates are indicative

Est:28 versus 29.4 last



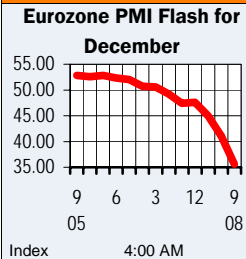
Est: 34.6 versus 35.7 last



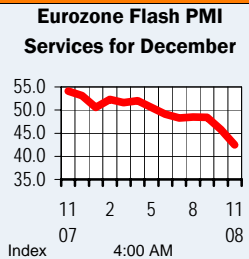
Est: 44.0 versus 45.1 last



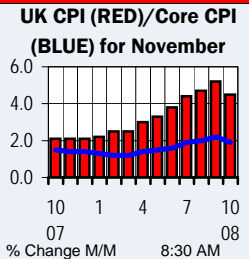
Est: 34.6 versus 35.7 last



Est: 44.0 versus 45.1



Est: 3.9% Y/Y, Core 1.8%



Market Data

Instrmnt	Last	Change	Prev Close	Time
US 2Yr	0.726%	-0.033%	0.759%	4:51:00 PM
US 5Yr	1.475%	-0.036%	1.511%	4:50:00 PM
3MO LIBR	1.8713%	-0.0500%	1.9213%	6:55:00 AM
3M T-BILL	0.01%	0.00%	0.01%	4:00:00 PM
DJIA	8,564.53	-65.15	8,629.68	4:30:19 PM
Nasdaq	1,508.3	-32.38	1,541	4:52:21 PM
UK FTSE	4,277.6	-2.79	4,280.4	11:46:17 AM
Germ Dax	4,654.82	-8.55	4,663.37	2:29:45 PM
Nikkei	8,664.66	428.79	8,235.87	2:00:17 AM
CRB	225.700	-1.260	226.960	2:57:27 PM
Crude Oil	44.810	-1.470	46.280	4:22:18 PM
Gold	840.000	19.500	820.500	4:22:28 PM
Copper	140.20	-2.65	142.85	4:20:07 PM

Other Key Events and Speakers

- 4:00 AM SECO Economic Forecast for Switz.
- 4:30 AM UK RPI Y/Y 3.1% vs 4.2% last
- 5:00 AM Eurozone Employment Chg Q/Q
- Tentative BOE Inflation Letter

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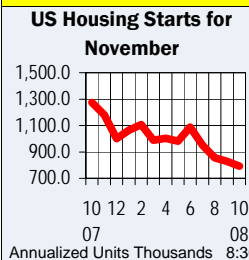
<http://www.fxdd.com>

and click on Open a Live Account

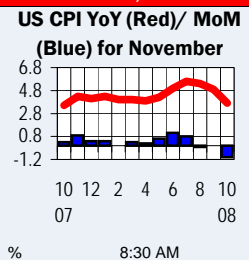
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Past performance is not a guarantee of future results. Please remember that technical analysis is only a tool for trading and even targeted analysis is no guarantee of profits. Forex trading carries a substantial risk of loss and only discretionary capital should be used in trading.

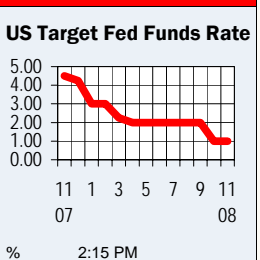
Est:736K versus 791K last



Est: -1.3 M/M, 1.5% YoY



Est: 50 BP cut to 0.5%



Market Recap for Today

The dollar continued its move to the downside today. Both the EURUSD and the GBPUSD gained by over 300 pips on the day. The EURUSD declined by 176 pips, while USDJPY fell by 54 pips. The decline in the dollar occurred despite the sharp reversal in Crude Oil which tested the \$50 per barrel level before selling off and closing at \$44.81. Gold rallied (+\$19.50), however, as a safe haven play. Although gold is down from the +\$1000 level at the peak of the commodity boom, on a relative basis, the decline is not as dramatic as other commodity moves. From a technical perspective, the EURUSD has moved closer to the important 38.2% retracement level of the move down from the July 15th high. The level comes in at 1.3745 and the high today was 1.3726. This level should provide good resistance. If the price is able to move above this level, the 100 day MA looms at the 1.3778 today (down from 1.3796).. So the EURUSD is certainly running into some key resistance. The GBPUSD meanwhile has not enjoyed as a dramatic move up as the EURO. This is because the EURGBP remains at all time high levels (EURGBP broke through the 0.9000 level before backing off later in the day) The GBPUSD is still trading below the Nov 25th high of .1.5531. The high was 1.5378 today. USDCHF was down for the 4th day in a row and 4 of the last 5 days. The 100 day moving avg comes in at 1.1439. The price has not closed below the 100 day MA since July 29th.

On Tap for Tomorrow

The Fed will meet tomorrow and the expectation is for a 50 basis point cut to 0.5%. This is record low levels but the Fed seems intent to continue to flood the market with money in an attempt to get mortgage rates down as low as possible. The aim is to arrest the price declines and sop up some of the supply which continues to be the albatross around the economies neck. In other data, the EZ PMI Flash data for Manufacturing and Service are to be released. Both are expected to remain at depressed levels. The UK CPI will be released. The expectation is for a 0.3% decline and the YoY to fall to 3.9% from 4.5%. The Core measure looks better at 1.8% gain. However, YoY inflation will be coming down more dramatically in 2009 in the UK. The US CPI will also be released. The MoM is forecast to decline by 1.3% while the YoY is supposed to fall to 1.5% (from 3.7% last month). Inflation is being wrung out of the US as the reversal of oil and commodities and Sales, Sales, Sales dominate.