



26 Jan 2012 FOREX MARKET CALL

All rates on this sheet are indicative only and subject to change without notice

Yesterday Ranges

AUDUSD	1.0447-1.0618
NZDUSD	0.8044-0.8192
EURUSD	1.2932-1.3120
GBPUSD	1.5536-1.5677
USDJPY	77.58 - 78.27
USDCHF	0.9206- 0.9338
USDCAD	1.0031---1.0146
EURJPY	101- 101.94
AUDNZD	1.2912- 1.3023
NZDAUD	0.7678- 0.7744

Opening Bid Rates

AUDUSD	1.0595
NZDUSD	0.8170
EURUSD	1.3106
GBPUSD	1.5655
USDJPY	77.75
USDCHF	0.9215
USDCAD	1.0043
EURJPY	101.89
AUDNZD	1.2962
NZDAUD	0.7715
USDCNY	6.2895
GOLD	1710.76
OIL	99.87

FOMC statement boosts equity markets

The US Fed statement threw equity markets a lifeline, as they cut growth forecasts for this year but extended the hold on the Fed funds rate of 0-.25% for "at least" another year to the end of 2014 as it warned of its concern over a slowdown in business investment and stubbornly high employment. By assuring markets that rates will remain low, the Fed is hoping that this greater transparency will provide investors and business's with a clearer idea of the direction of monetary policy, giving them confidence to reinvest, spurring economic gains and helping the US economy into a stronger recovery. European equities were mixed, with most markets closing slightly lower (before the Fed announcement), on concerns over the lack of resolution of the Greek problem and discussion over whether the ECB should take a haircut over its portion of Greek bond holdings. US Equities and commodities jumped sharply higher on the release of the FOMC statement, with the DOW up over 70pts, 0.60%, S&P500 0.57% higher and the NASDAQ up nearly 1%. The jump in commodities was even more pronounced with Gold up \$43/oz a 2.6% gain, to US\$1707.80/oz and Oil (WTI) up 0.82% at US\$99.76/brl. The USD was hammered on the Fed release, falling to a low of US1.3119 against the Euro as Euro shorts covered their positions. However fundamentals in the Eurozone haven't changed and elevated Euro levels may well be an opportunity to enter short Euro positions at better levels, the next couple of days will tell.

The AUD initially traded lower yesterday, after the release of CPI figures showed that the CPI was unchanged in Q4 against a forecast rise of 0.2%, giving more credence to an RBA rate cut of 0.25% early next month. However on the release of the Fed statement, the AUD climbed sharply to a high of US1.0617 and looks set for the next target around the 1.0700 mark, although probably not today, given that trading will be thin due to the Australia Day holiday. The NZD enjoyed similar gains, due to the weaker USD on the Fed statement and supported by the RBNZ OCR statement keeping rates on hold at the current 2.5%. The NZD has had a 150 pt trading range overnight and having broken through resistance at 0.8140 now looks set for a run at the 0.8200 level although some consolidation around current levels (0.8160/75) should be expected.

Auckland New Zealand
Level 10,
The National Bank Tower
205 Queen Street
Auckland, New Zealand

Sydney Australia
Level 18, Citigroup Centre
2 Park Street
Sydney, NSW 2000
Australia

Melbourne Australia
Level 38,
120 Collins Street
Melbourne, VIC 3000
Australia

Hong Kong China
Unit 7501 & 7508,75/F,
International Commerce
Centre, 1 Austin Road
West, Kowloon,
Hong Kong

Beijing China
Level 16, Tower A,
Gateway Plaza,
18 Xiaguangli North Road,
East Third Ring, Chaoyang District
Beijing 100027, China

Toronto Canada
Level 36, Exchange Tower
130 King St. West
Toronto, Ontario M5X 1B1
Canada

Tel: +64 9 359 8988

Tel: 1300 668 120

Tel: 1300 668 120

Tel: 852 3120 8888

Tel: +86 10 5922 2088

Tel: +1 416 646 9188

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USDJPY: Neutral. Support: 76.50 Resistance: 78.00. Today's expected range 76.50— 78.00
AUDUSD: Bullish. Support: 1.0500 Resistance: 1.0680 Today's expected range: 1.0570- 1.0630
NZDUSD: Bullish. Support at 0.8100 Resistance: 0.8260 Today's expected range: 0.8150—0.8200
USDCAD: Bearish. Support: 1.0000. Resistance 1.0150. Today's expected range: 1.0000-1.0150.

Central Bank	Rates	Last Moves	Next Meeting	INDEX	Rates	Change
FED	0-0.25%	03/11/2011	27/01/2012	DJ Ind. Average	12758.85	+0.66%
RBNZ	2.50%	08/12/2011	27/01/2012	NASDAQ	2818.31	+1.14%
RBA	4.25%	06/12/2011	07/02/2012	Hang Seng	20110.37	+0.84%
BOE	0.5%	08/12/2011	09/02/2012	USD index	79.46	-0.41%
ECB	1.00%	08/12/2011	09/02/2012	NZD index	72.14	+0.52%

Auckland New Zealand
Level 10,
The National Bank Tower
205 Queen Street
Auckland, New Zealand

Tel: +64 9 359 8988

Sydney Australia
Level 18, Citigroup Centre
2 Park Street
Sydney, NSW 2000
Australia

Tel: 1300 668 120

Melbourne Australia
Level 38,
120 Collins Street
Melbourne, VIC 3000
Australia

Tel: 1300 668 120

Hong Kong China
Unit 7501 & 7508,75/F,
International Commerce
Centre, 1 Austin Road
West, Kowloon,
Hong Kong

Tel: 852 3120 8888

Beijing China
Level 16, Tower A,
Gateway Plaza,
18 Xiaguangli North Road,
East Third Ring, Chaoyang District
Beijing 100027, China

Tel: +86 10 5922 2088

Toronto Canada
Level 36, Exchange Tower
130 King St. West
Toronto, Ontario M5X 1B1
Canada

Tel: +1 416 646 9188

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