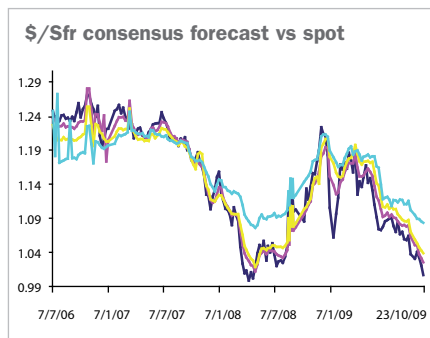
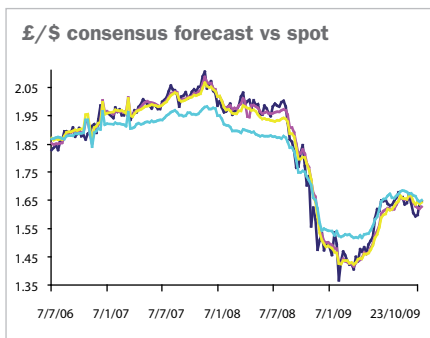
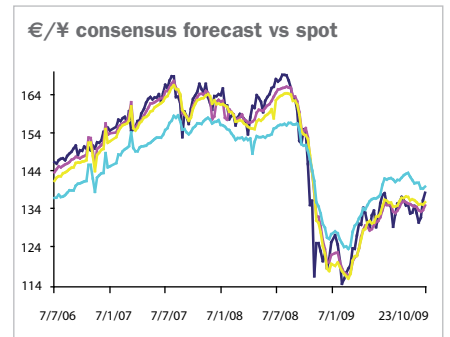
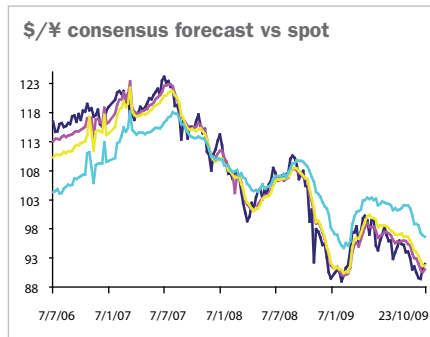
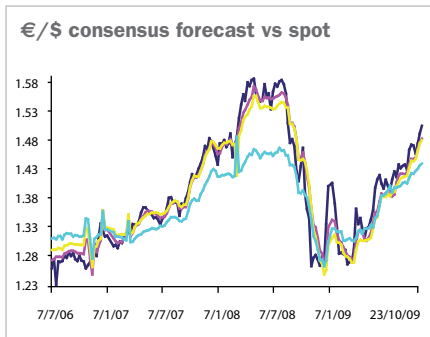
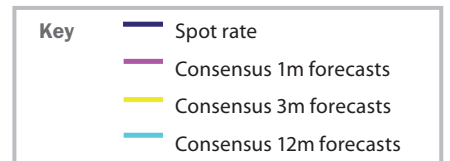


# Currency forecasts index



Methodology: Rankings are a weekly accuracy rating average percentage divergence of cash contributor's aggregated EUR/USD, USD/JPY, EUR/JPY, GBP/USD and USD/CHF forecasts from spot rates on October 26. One-month forecasts submitted September 25. Three-month forecasts submitted July 24. Twelve-month forecasts submitted October 24, 2008. Indexes calculated from weekly accuracy over one, three and 12 months.



Rankings 12m forecasts		
1	CMC Markets	2.410
2	Scotia Capital	5.125
3	Barclays Capital	5.892
4	Calyon	8.279
5	Westpac	8.372
6	Saxo Bank	8.958
7	Thomson - IFR	8.993
8	UBS	9.437
9	National Australia Bank	9.798
10	Royal Bank of Scotland	10.024
11	St George Bank	10.054
12	TD Securities	10.395
13	Gain Capital	10.906
14	RBC Capital Markets	10.917
15	TMS Brokers	11.143
16	GFT	11.187
17	Rabobank	11.303
18	Commonwealth Bank of Australia	11.414
19	Danske Bank	11.480
20	ANZ	11.768
21	Bank of Montreal	11.960
22	Standard Chartered	12.025
23	Lloyds TSB	12.268
24	Wells Fargo	12.693
25	FXCM	12.724
26	JP Morgan	13.105
27	HSBC	13.524
28	Citi	13.894
29	UniCredit MIB	14.023
30	Bank of China	14.476
31	SEB	14.801
32	BNP Paribas	15.837
33	Informa Global Markets	16.108
34	4Cast	16.333

Rankings 3m forecasts		
1	Standard Chartered	2.078
2	TD Securities	2.904
3	Scotia Capital	3.460
4	JP Morgan	3.729
5	Thomson - IFR	3.914
6	CMC Markets	4.218
7	Commonwealth Bank of Australia	4.260
8	TMS Brokers	4.349
9	Bank of China	4.489
10	Bank of Montreal	4.870
11	National Australia Bank	4.973
12	Barclays Capital	5.195
13	Gain Capital	5.295
14	HSBC	5.388
15	Danske Bank	5.492
16	GFT	5.553
17	UniCredit MIB	6.230
18	BNP Paribas	6.257
19	Wells Fargo	6.460
20	RBC Capital Markets	6.525
21	Informa Global Markets	6.699
22	4Cast	6.733
23	Calyon	6.921
24	Royal Bank of Scotland	7.096
25	Westpac	7.156
26	Citi	7.187
27 =	FXCM	7.264
27 =	Rabobank	7.264
29	Lloyds TSB	7.346
30	SEB	7.449
31	ANZ	7.613
32	St George Bank	7.961
33	Aspen Trading	8.587
34	Bank of America Merrill Lynch	9.533
35	UBS	10.154
36	Saxo Bank	11.792

Rankings 1m forecasts		
1	TMS Brokers	0.893
2	UniCredit MIB	1.230
3	4Cast	1.485
4	Danske Bank	1.744
5	Standard Chartered	1.794
6	Gain Capital	2.047
7	Wells Fargo	2.208
8	BNP Paribas	2.255
9	HSBC	2.280
10	UBS	2.291
11	Calyon	2.345
12	Aspen Trading	2.357
13	Bank of China	2.686
14	ANZ	2.845
15	TD Securities	2.904
16	Rabobank	3.036
17	Informa Global Markets	3.062
18	St George Bank	3.128
19	National Australia Bank	3.142
20	Commonwealth Bank of Australia	3.175
21	Lloyds TSB	3.291
22	Bank of Montreal	3.342
23	Scotia Capital	3.429
24	Thomson - IFR	3.468
25	Westpac	3.481
26	Citi	3.708
27	SEB	3.721
28	RBC Capital Markets	3.854
29	Saxo Bank	4.123
30	JP Morgan	4.260
31	Barclays Capital	4.793
32	FXCM	4.874
33	GFT	4.980
34	CMC Markets	5.105
35	Bank of America Merrill Lynch	5.330
36	Royal Bank of Scotland	5.430

Twelve-month historical index		
1	Saxo Bank	10.176
2	Lloyds TSB	10.229
3	Rabobank	10.403
4	UBS	10.721
5	Royal Bank of Scotland	10.900

Three-month historical index		
1	TMS Brokers	7.275
2	TD Securities	7.786
3	Wells Fargo	7.883
4	Standard Chartered	7.887
5	CMC Markets	8.246

One-month historical index		
1	Calyon	3.764
2	TMS Brokers	3.830
3	Thomson - IFR	3.892
4	Commonwealth Bank of Australia	4.055
5	Informa Global Markets	4.198

# CMC's 12-month USD view on the money

CMC Markets topped this week's 12-month currency forecast rankings with expectations that the dollar would bear the brunt of any stabilisation in global equities and resulting improvement in risk appetite.

"We were also particularly doubtful of the then emerging first-in, first-out hypothesis, which stipulated the US recovery would precede the rest of the

**"Despite the secular weakness of the US dollar, we expect a corrective bounce in the currency"**

Ashraf Laidi, CMC Markets

world on the grounds of greater policy stimuli by the Fed and the Treasury," said Ashraf Laidi, chief strategist at CMC

Markets in London.


Laidi said that, in contrast, currencies that would seem to be vulnerable to any renewed waves of risk aversion were the Australian dollar and Norwegian krone. However, he added that CMC focused on the two currencies' ability to amass risk capital based on their higher yield foundation, commodity dependence and exposure to the more robust regions of Asia and the Middle East.

In the medium to long term, CMC expects some dollar strength. "Despite the secular weakness of the US dollar, we expect a corrective bounce in the currency, mainly against the British pound and Canadian dollar, based on a broadening retreat in risk appetite and consolidation in



the commodity complex," said Laidi.

"Canada's exposure to the US consumer stands apart from Australia's dependence on Asia, while the obligatory policies of austerity in the UK are expected to magnify any US dollar stabilisation against the Canadian dollar and sterling."

Global risk appetite gauged in emerging markets such as Brazil and India has commanded a higher negative correlation with the dollar than G-7 nations. This, said Laidi, suggests any durable recovery in the US currency would require deeper sell-off in emerging markets equities and their currencies, rather than simply in the G-7 markets. 

Saima Farooqi

## CURRENT FORECASTS

	Euro/dollar			Dollar/yen			Euro/yen			Sterling/dollar			Dollar/Swiss		
	1m	3m	12m	1m	3m	12m	1m	3m	12m	1m	3m	12m	1m	3m	12m
4Cast	1.47	1.50	1.65	93	94	91	137	140	150	1.60	1.55	1.74	1.04	1.02	0.94
ANZ	1.46	1.48	1.48	90	88	90	131	130	133	1.66	1.67	1.64	1.04	1.03	1.05
Aspen Trading	1.44	1.55	1.35	95	98	105	138	152	142	1.67	1.85	1.61	1.04	1.04	1.16
Bank of America Merrill Lynch	1.46	1.50	1.32	90	93	105	131	140	139	1.59	1.63	1.55	1.03	1.01	1.17
Bank of China	1.47	1.43	1.35	92	94	90	135	139	143	1.65	1.70	1.90	1.01	1.03	1.15
Bank of Montreal	1.48	1.49	1.55	92	92	92	136	137	143	1.62	1.58	1.50	1.01	1.20	1.00
Barclays Capital	1.50	1.52	1.45	93	95	100	140	144	145	1.63	1.73	1.77	1.02	1.03	1.09
BNP Paribas	1.50	1.54	1.38	90	85	97	135	131	134	1.61	1.57	1.45	0.98	1.00	1.12
Calyon	1.52	1.55	1.43	90	92	103	136	143	147	1.66	1.63	1.66	0.99	1.01	1.09
Citi	1.42	1.44	1.51	94	93	91	133	134	135	1.64	1.65	1.65	1.07	1.06	1.05
CMC Markets	1.46	1.49	1.56	89	91	90	130	136	140	1.58	1.60	1.63	1.03	1.02	1.03
Commonwealth Bank of Australia	1.49	1.52	1.48	90	90	98	134	137	145	1.68	1.74	1.82	1.01	0.99	1.08
Danske Bank	1.52	1.55	1.45	93	93	101	137	143	148	1.63	1.72	1.81	0.99	0.98	1.08
FXCM	1.43	1.38	1.25	94	96	85	134	132	106	1.62	1.45	1.30	1.04	1.10	1.20
Gain Capital	1.50	1.44	1.55	90	92	95	136	133	150	1.62	1.55	1.48	1.02	1.10	1.06
GFT	1.45	1.42	1.40	92	94	96	134	133	137	1.60	1.58	1.72	1.04	1.08	1.11
HSBC	1.49	1.50	1.50	96	102	105	143	152	158	1.61	1.62	1.72	1.02	1.02	1.07
Informa Global Markets	1.50	1.51	1.45	89	87	81	134	130	130	1.62	1.62	1.60	1.00	0.98	1.06
JP Morgan	1.50	1.50	1.45	91	89	100	138	134	145	1.63	1.63	1.58	1.01	1.01	1.07
Lloyds TSB	1.48	1.45	1.37	92	93	105	136	135	144	1.63	1.58	1.49	1.02	1.04	1.10
National Australia Bank	1.52	1.54	1.51	92	94	98	140	145	148	1.67	1.70	1.74	1.02	1.03	1.06
Rabobank	1.51	1.53	1.37	90	88	97	136	135	133	1.66	1.69	1.67	1.00	0.99	1.13
RBC Capital Markets	1.49	1.50	1.54	88	87	84	131	131	129	1.70	1.75	1.81	1.04	1.00	0.95
Royal Bank of Scotland	1.50	1.51	1.38	91	85	93	137	128	128	1.63	1.61	1.45	1.01	1.01	1.07
Saxo Bank	1.47	1.40	1.25	91	95	100	134	133	125	1.60	1.55	1.51	1.04	1.10	1.20
Scotia Capital	1.48	1.51	1.58	91	90	86	133	138	136	1.61	1.65	1.69	1.04	1.03	1.01
SEB	1.47	1.45	1.35	93	93	105	137	135	142	1.64	1.65	1.63	1.03	1.06	1.16
St George Bank	1.48	1.48	1.44	91	91	99	135	135	143	1.64	1.62	1.68	1.06	1.07	1.11
Standard Chartered	1.52	1.51	1.58	90	93	98	137	140	155	1.67	1.64	1.70	1.00	1.04	1.04
Thomson - IFR	1.50	1.53	1.55	90	93	88	135	141	137	1.63	1.68	1.70	1.02	1.02	1.10
TMS Brokers	1.50	1.55	1.44	91	92	97	137	142	140	1.68	1.74	1.66	1.01	0.99	1.07
TD Securities	1.51	1.52	1.50	92	92	96	139	140	144	1.65	1.68	1.65	1.01	1.00	1.03
UBS	1.45	1.40	1.50	90	90	90	131	126	135	1.54	1.52	1.67	1.05	1.09	0.99
UniCredit MIB	1.48	1.52	1.50	93	95	103	138	144	155	1.64	1.72	1.81	1.03	1.02	1.06
Wells Fargo	1.49	1.50	1.32	91	90	102	136	135	135	1.63	1.60	1.52	1.01	1.01	1.16
Westpac	1.50	1.33	1.30	88	90	110	130	120	143	1.69	1.56	1.75	1.00	0.98	1.00
CONSENSUS VIEW	1.4832	1.4869	1.4456	91.31	91.88	94.03	135.33	136.75	136.49	1.6339	1.6391	1.6460	1.0215	1.0326	1.0782
STANDARD DEVIATION	0.0250	0.0526	0.0964	1.8325	3.3462	15.8981	2.9241	6.5586	22.7626	0.0325	0.0771	0.1250	0.0197	0.0444	0.0627
BULL/BEAR VALUE	0.0472	0.0699	-0.2518	0.0010	0.0024	0.0020	0.0008	0.0020	0.0005	-0.3655	-0.1132	-0.0365	-0.0249	0.2329	0.8758

\* Bull/bear value represents a measure of the direction and consensus of forecasts calculated in relation to the spot rate and standard deviation. Forecasts submitted October 30, with €//\$ trading at 1.4815, \$/¥ at 91.14, €/¥ at 135.02, £/\$ at 1.6535, \$/Sfr at 1.0220