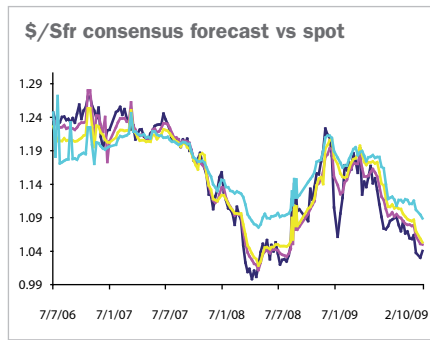
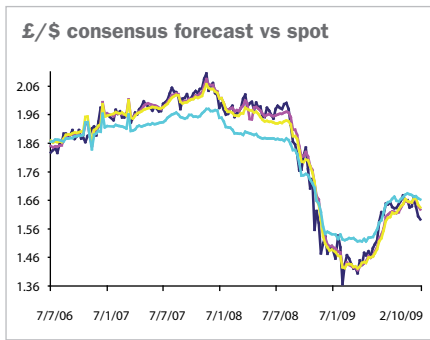
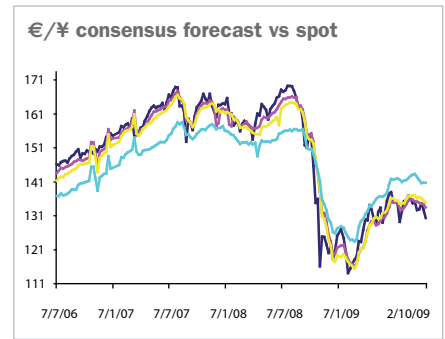
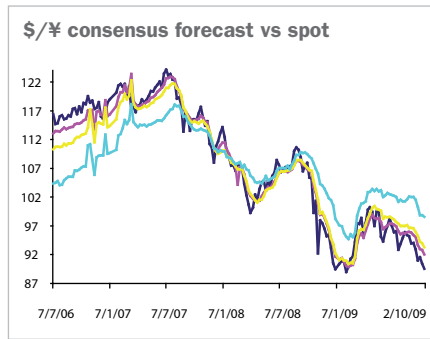
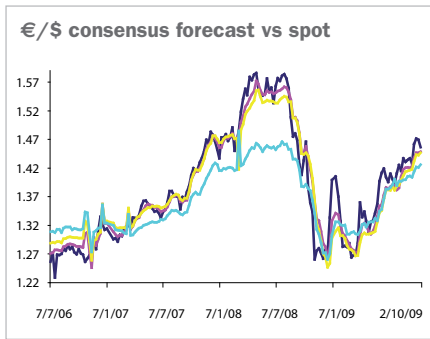
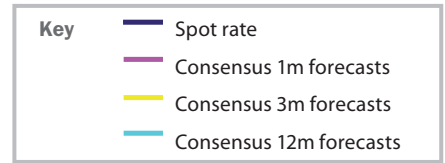


Currency forecasts index



Methodology: Rankings are based on a weekly accuracy rating average percentage divergence of a cash contributor's aggregated EUR/USD, USD/JPY, EUR/JPY, GBP/USD and USD/CHF forecasts from spot rates on October 5. One-month forecasts submitted September 4. Three-month forecasts submitted July 3. Twelve-month forecasts submitted October 3, 2008. Indexes calculated from weekly accuracy over one, three and 12 months.



Rankings 12m forecasts		
1	Thomson – IFR	6.236
2	Lloyds TSB	8.555
3	Royal Bank of Scotland	8.584
4	Saxo Bank	8.644
5	UBS	11.033
6	Westpac	11.097
7	Danske Bank	11.399
8	National Australia Bank	11.492
9	Scotia Capital	11.725
10	TMS Brokers	12.258
11	Standard Chartered	12.929
12	Gain Capital	13.190
13	GFT	13.393
14	Barclays Capital	13.415
15	TD Securities	13.565
16	Rabobank	13.586
17	CMC Markets	13.727
18	ANZ	13.905
19	Bank of Montreal	14.233
20	Wells Fargo	14.670
21	Citi	14.767
22	Calyon	14.923
23	RBC Capital Markets	15.016
24	Infoma Global Markets	15.042
25	BNP Paribas	15.263
26	JP Morgan	15.350
27	FXCM	15.618
28	UniCredit MIB	15.792
29	SEB	16.112
30	4Cast	17.034
31	Bank of China	17.626
32	St George Bank	17.635
33	HSBC	18.468
34	Commonwealth Bank of Australia	18.892

Rankings 3m forecasts		
1	CMC Markets	2.566
2	Infoma Global Markets	2.858
3	Standard Chartered	3.559
4	TD Securities	4.405
5	JP Morgan	4.593
6	Bank of China	4.621
7	BNP Paribas	4.761
8	Gain Capital	4.825
9	4Cast	5.162
10	Scotia Capital	5.258
11	GFT	5.641
12	Commonwealth Bank of Australia	5.651
13	Thomson – IFR	5.796
14	ANZ	5.885
15	UniCredit MIB	5.946
16	RBC Capital Markets	5.957
17	Bank of Montreal	6.187
18	HSBC	6.364
19	National Australia Bank	6.490
20	Barclays Capital	6.758
21	Danske Bank	6.819
22	Wells Fargo	6.842
23	Westpac	6.965
24	Calyon	7.077
25	TMS Brokers	7.079
26	Rabobank	7.126
27	Citi	7.235
28	Lloyds TSB	7.677
29	Royal Bank of Scotland	7.898
30	SEB	8.634
31	UBS	8.701
32	St George Bank	9.385
33	Aspen Trading	9.463
34	Saxo Bank	9.683
35	FXCM	10.062
36	Bank of America Merrill Lynch	10.255

Rankings 1m forecasts		
1	Infoma Global Markets	2.347
2	Bank of China	2.531
3	Westpac	2.566
4	Standard Chartered	2.833
5	Gain Capital	2.846
6	BNP Paribas	2.942
7	Thomson – IFR	3.172
8	FXCM	3.251
9	Citi	3.710
10	Wells Fargo	3.926
11	CMC Markets	4.024
12	RBC Capital Markets	4.191
13	Bank of Montreal	4.201
14	GFT	4.203
15	TD Securities	4.262
16	Rabobank	4.310
17	UBS	4.472
18	JP Morgan	4.593
19	Commonwealth Bank of Australia	4.640
20	UniCredit MIB	4.831
21	Danske Bank	4.835
22	4Cast	4.862
23	Saxo Bank	4.911
24	Barclays Capital	4.980
25	National Australia Bank	5.025
26	ANZ	5.124
27	SEB	5.367
28	TMS Brokers	5.372
29	Scotia Capital	5.653
30	Calyon	5.886
31	Royal Bank of Scotland	6.417
32	Lloyds TSB	6.564
33	St George Bank	6.906
34	Bank of America Merrill Lynch	6.922
35	HSBC	6.994
36	Aspen Trading	7.527

Twelve-month historical index		
1	Lloyds TSB	9.967
2	Saxo Bank	10.070
3	Rabobank	10.180
4	UBS	10.554
5	BNP Paribas	10.685

Three-month historical index		
1	TMS Brokers	7.397
2	TD Securities	8.147
3	Standard Chartered	8.317
4	National Australia Bank	8.578
5	Calyon	8.582

One-month historical index		
1	Calyon	3.861
2	Thomson – IFR	3.983
3	TMS Brokers	3.992
4=	CMC Markets	4.327
4=	Commonwealth Bank of Australia	4.327

BoE predictions help CMC to top spot

CMC Markets topped this week's three-month currency forecast rankings with a bearish sterling view based on expectations the Bank of England (BoE) would expand its quantitative easing programme.

Ashraf Laidi, chief foreign exchange strategist at CMC Markets in London, said the BoE had been indicating it would broaden its quantitative easing measures, which it fulfilled by extending its asset purchase programme to £175 million in August. CMC's technical analysis additionally revealed unsustainable sterling daily gains – as the unit's rallies were not driven by fundamentals but rather by improved risk appetite.

“When you look at the technical behaviour of sterling during its day rallies, it repeatedly lost its gains after the London session, with a recurring inability to follow through into the US and Asian sessions,” said Laidi. “Bounces in sterling were more reactive to improvement in risk

appetite, which was not central to the pound, but were related to the broader selling of the dollar.”

CMC was also bullish on the yen, expecting the unit to be lifted by both local and foreign investor flow into Japanese assets. According to the Japanese Ministry of


“Bounces in sterling were more reactive to improvement in risk appetite”

Ashraf Laidi, CMC Markets

Finance, net asset purchase of Japanese securities by foreign investors stood at ¥9.7 billion while locals had net bought ¥3.3 billion between June 28 and July 4. Additionally, in the week up to July 10, Japanese investors turned net sellers of foreign bonds for the first time since the beginning of May, with foreign bond-sell-

ing in the week to July 10 reaching ¥474 billion, compared with purchases of ¥1532 billion in the previous 12 weeks.

“The Japanese – who are the largest producers of capital – were increasingly doubtful of valuations outside Japan – and, after a long time, were seeing more bargains at home,” said Laidi. “Yen strength was not only sustained by the return of capital and the unwinding of the carry trade, but also fresh speculative positions going into the unit.”

Laidi expects further weakness from sterling, especially against commodity-based and European currencies. However, he expects cable to touch \$1.67 by year-end, mainly driven by dollar weakness. The dollar, he said, was running the risk of losing out on interest rate differentials, after Australia raised interest rates to 3.25% on October 6. CMC now expects EUR/USD to touch \$1.57 by year-end, rising to \$1.60 by mid 2010. 

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	1.50	1.46	1.65	80	93	91	132	135	150	1.61	1.63	1.74	1.01	1.05	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	1.45	1.45	1.35	90	98	105	138	142	142	1.57	1.73	1.61	1.05	1.04	1.16
Bank of America Merrill Lynch	1.45	1.50	1.32	100	105	112	145	158	148	1.69	1.76	1.67	1.06	1.05	1.18
Bank of China	1.45	1.42	1.35	90	94	100	133	136	140	1.63	1.68	1.75	1.03	1.00	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	1.67	1.80	1.81	1.02	1.03	1.09
BNP Paribas	1.49	1.54	1.38	89	85	97	133	131	134	1.59	1.57	1.45	1.02	1.00	1.12
Calyon	1.47	1.50	1.44	89	90	100	131	135	144	1.60	1.63	1.73	1.03	1.01	1.05
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	1.41	1.51	1.49	88	85	92	124	128	137	1.60	1.64	1.60	1.04	1.02	1.01
Commonwealth Bank of Australia	1.49	1.52	1.48	88	90	98	131	137	145	1.68	1.74	1.82	1.01	0.99	1.08
Danske Bank	1.49	1.52	1.45	91	94	102	137	143	148	1.66	1.81	1.86	1.02	1.00	1.08
FXCM	1.40	1.35	1.20	90	90	85	126	122	102	1.62	1.58	1.40	1.07	1.09	1.20
Gain Capital	1.47	1.42	1.55	90	92	95	133	131	150	1.57	1.55	1.48	1.04	1.10	1.06
GFT	1.43	1.42	1.40	92	94	97	132	134	137	1.59	1.58	1.73	1.05	1.08	1.12
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	1.48	1.50	1.45	89	87	81	131	130	130	1.60	1.62	1.60	1.05	1.02	1.08
JP Morgan	1.45	1.50	1.45	89	89	100	129	134	145	1.59	1.63	1.58	1.04	1.01	1.07
Lloyds TSB	1.45	1.43	1.27	90	92	103	131	132	131	1.58	1.57	1.44	1.04	1.06	1.19
National Australia Bank	1.48	1.42	1.44	92	96	105	136	136	151	1.62	1.62	1.69	1.04	1.08	1.13
Rabobank	1.44	1.40	1.32	89	88	98	128	123	129	1.58	1.57	1.60	1.05	1.09	1.18
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	1.47	1.48	1.38	89	91	93	131	135	128	1.60	1.66	1.68	1.03	1.03	1.12
Saxo Bank	1.41	1.35	1.25	94	95	100	133	128	128	1.58	1.55	1.51	1.06	1.11	1.18
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	1.43	1.40	1.32	95	102	110	136	143	145	1.58	1.57	1.60	1.06	1.11	1.19
St George Bank	1.44	1.43	1.41	93	96	100	134	137	141	1.60	1.70	1.76	1.06	1.10	1.12
Standard Chartered	1.48	1.50	1.46	91	90	98	135	135	143	1.66	1.70	1.62	1.03	1.00	1.10
Thomson – IFR	1.49	1.48	1.50	89	92	87	132	136	131	1.59	1.60	1.70	1.03	1.04	1.10
TMS Brokers	1.49	1.52	1.44	88	90	97	131	137	140	1.61	1.63	1.67	1.02	1.00	1.07
TD Securities	1.48	1.50	1.45	90	92	96	133	138	139	1.62	1.68	1.65	1.02	1.00	1.03
UBS	1.45	1.35	1.50	85	90	90	123	122	135	1.63	1.52	1.67	1.05	1.13	0.99
UniCredit MIB	1.48	1.47	1.50	93	95	103	138	140	155	1.64	1.67	1.81	1.03	1.04	1.06
Wells Fargo	1.46	1.45	1.32	91	92	102	133	134	135	1.61	1.62	1.62	1.03	1.04	1.16
Westpac	1.47	1.33	1.30	93	90	110	130	120	143	1.75	1.56	1.45	1.00	1.00	1.00
CONSENSUS VIEW	1.4627	1.4599	1.4286	90.80	92.31	97.09	132.90	134.92	138.98	1.6210	1.6414	1.6475	1.0359	1.0460	1.0871
STANDARD DEVIATION	0.0265	0.0552	0.0979	2.7931	4.3754	7.3889	4.4313	7.6119	9.8725	0.0401	0.0709	0.1154	0.0173	0.0464	0.0684
BULL/BEAR VALUE	-0.2440	-0.1517	-0.3025	0.0064	0.0079	0.0119	0.0027	0.0036	0.0059	0.4017	0.4076	0.2836	0.2599	0.3081	0.7906

* 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 9, with €//\$ trading at 1.4722, \$/¥ at 89.21, €/¥ at 131.35, £/\$ at 1.5953, \$/Sfr at 1.0313