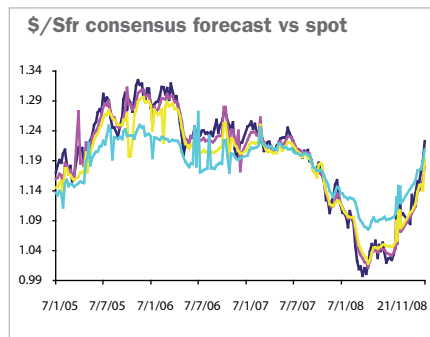
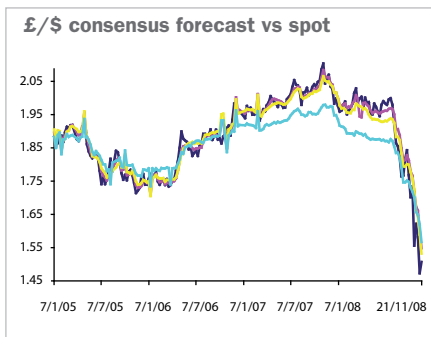
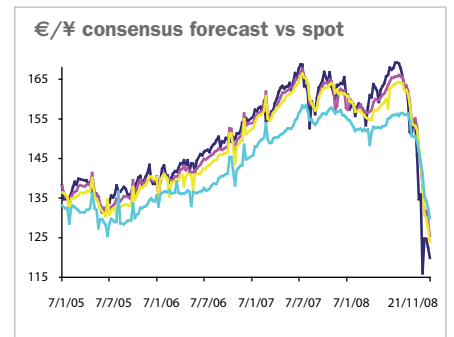
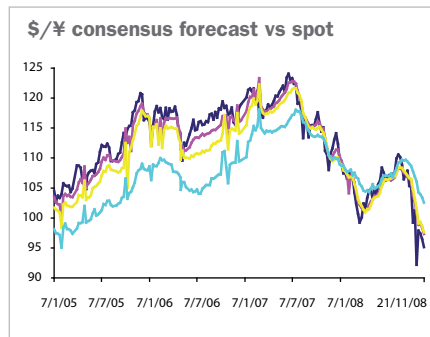
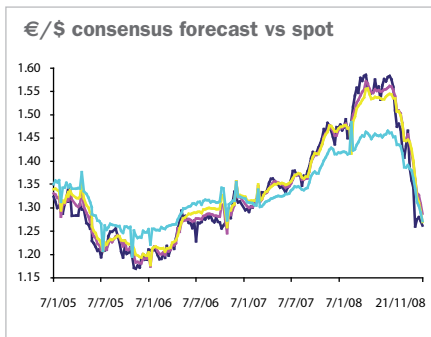
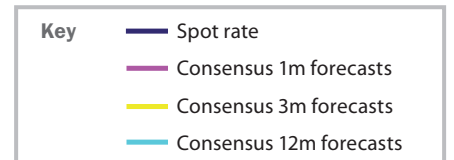


# Currency forecasts index



Methodology: Rankings are based on 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 November 24. One-month forecasts submitted October 24. Three-month forecasts submitted August 22. Twelve-month forecasts submitted November 23, 2007. Indexes calculated from average weekly accuracy over one, three, and 12 months.



Rankings 12m forecasts		
1	Merrill Lynch	10.980
2	Lloyds TSB	12.044
3	BNP Paribas	13.986
4	UBS	14.770
5	Royal Bank of Scotland	14.783
6	Rabobank	14.996
7	BoS Treasury Services	15.234
8	HSBC	16.155
9	Calyon	16.179
10	Saxo Bank	16.608
11	Thomson – IFR	17.002
12	Standard Chartered	17.044
13	Bank of America	18.262
14	Westpac	18.711
15	CIBC World Markets	18.823
16	National Australia Bank	18.879
17	Danske Bank	19.159
18	TMS Brokers	19.281
19	4Cast	19.334
20	GFT	19.407
21	Commonwealth Bank of Australia	19.762
22	TD Securities	19.850
23	ANZ	20.377
24	Informa Global Markets	20.419
25	Gain Capital	20.721
26	UniCredit MIB	21.165
27	Barclays Capital	21.372
28	Dresdner Kleinwort	21.681
29	RBC Capital Markets	21.965
30	CMC Markets	22.594
31	Scotia Capital	23.249
32	Citi	23.379
33	SEB	23.503
34	Bank of Montreal	23.693
35	FXCM	24.238
36	Bank of China	24.270

Rankings 3m forecasts		
1	Saxo Bank	15.142
2	SEB	16.271
3	Lloyds TSB	16.536
4	CMC Markets	17.121
5	Danske Bank	17.312
6	Standard Chartered	18.098
7	Merrill Lynch	18.749
8	ANZ	18.868
9	4Cast	19.080
10	Bank of Montreal	19.151
11	Thomson – IFR	19.321
12	Calyon	19.595
13	Bank of New Zealand	19.622
14	Dresdner Kleinwort	19.924
15	BNP Paribas	19.989
16	RBC Capital Markets	20.261
17	Rabobank	20.309
18	Royal Bank of Scotland	20.475
19	Bank of China	20.542
20	CIBC World Markets	20.705
21	TMS Brokers	20.982
22	Informa Global Markets	21.092
23	Gain Capital	21.377
24	Bank of America	21.416
25	National Australia Bank	21.499
26	Scotia Capital	21.829
27	St George Bank	21.986
28	UBS	22.148
29	GFT	22.247
30	Commonwealth Bank of Australia	22.761
31	HSBC	22.899
32	JP Morgan	23.100
33	Citi	23.346
34	UniCredit MIB	23.761
35	Westpac	23.844
36	TD Securities	25.461
37	FXCM	25.498
38	Société Générale	27.008
39	Barclays Capital	27.168

Rankings 1m forecasts		
1	CMC Markets	0.999
2	CIBC World Markets	1.346
3	Commonwealth Bank of Australia	1.694
4	Barclays Capital	2.209
5	Calyon	2.921
6	National Australia Bank	3.231
7	Thomson – IFR	3.618
8	Informa Global Markets	3.842
9	Bank of China	4.246
10	SEB	4.297
11	Rabobank	4.409
12	ANZ	4.552
13	BNP Paribas	4.674
14	Dresdner Kleinwort	5.540
15	Gain Capital	6.996
16	Bank of Montreal	7.065
17	TMS Brokers	7.084
18	St George Bank	7.781
19	Scotia Capital	7.886
20	Bank of America	8.347
21	Lloyds TSB	8.449
22	Saxo Bank	8.939
23	Danske Bank	9.092
24	RBC Capital Markets	9.411
25	4Cast	9.497
26	Société Générale	9.644
27	Bank of New Zealand	10.180
28	Royal Bank of Scotland	10.619
29	Wells Fargo	11.227
30	JP Morgan	11.487
31	GFT	12.655
32	HSBC	12.883
33	TD Securities	12.989
34	Citi	13.545
35	Merrill Lynch	14.114
36	Standard Chartered	14.423
37	Westpac	15.440
38	UniCredit MIB	15.875
39	FXCM	25.116
40	UBS	25.606

Twelve-month historical index		
1	GFT	6.396
2	Bank of Montreal	7.122
3	Barclays Capital	7.204
4	FXCM	7.532
5	Gain Capital	7.785

Three-month historical index		
1	GFT	2.048
2	Bank of America	2.065
3	Bank of Montreal	2.066
4	Barclays Capital	2.072
5	Gain Capital	2.121

One-month historical index		
1	Calyon	2.433
2	TMS Brokers	2.522
3	Commonwealth Bank of Australia	2.555
4	Danske Bank	2.585
5	Barclays Capital	2.611

# Sterling plummets as BoE dithers

CMC Markets topped this week's one-month forecast rankings by predicting a weaker sterling based on a perceived delay in interest rates cuts by the Bank of England (BoE).

Ashraf Laidi, chief foreign exchange strategist at CMC Markets in London, said high-yielding currencies weakened *en masse* due to de-leveraging activity, but sterling suffered further from a lack of central bank monetary intervention. "The Bank of England's misguided pre-occupation with inflation at a time when recession risk was the prevailing concern for the economy was damaging for sterling," he said.

The BoE eventually cut interest rates by 150 basis points to 3% on November 6, after the unit plummeted almost 25% against the dollar from mid-July. However, sterling continued to lose another 6% to hit \$1.4930 on November 24.

"The more the BoE delayed the rate cuts, the more the economy and its currency were punished," said Laidi.

During this period, the London-based retail trading company expected risk aversion to help the dollar and yen, as a consequence of unwinding carry trades and the flight to safe-haven currencies.

Laidi expects risk aversion to ease off slightly in the short term as worldwide central bank monetary intervention begins to filter through the global financial markets. "We expect a short-term bounce for the euro, sterling and high yielders at the expense of the yen and the dollar as the global risk appetite is partially boosted by further



Ashraf Laidi, CMC Markets

central bank easing of monetary policies," he explained. "This is a trend that might last until the first quarter, 2009."

Thereafter, CMC expects negative economic data in Q1 2009 will cause risk aversion to creep back into the financial markets. "We would expect renewed downside for global equities and fresh interest in the low yielders, particularly the USD/JPY, which could test the ¥90 level," said Laidi.

In the longer term, Laidi holds a bullish view on commodity-based currencies such as the Australian and Canadian dollars, as an early sign of recovery in the latter part of next year lifts demand for commodities. **IN** Gail Mwamba

## 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	1.27	1.30	1.20	96	99	105	122	129	126	1.51	1.52	1.50	1.21	1.19	1.28
ANZ	1.26	1.20	1.08	96	95	94	121	114	102	1.52	1.46	1.40	1.22	1.27	1.38
Bank of America	1.38	1.42	1.35	97	98	105	134	139	142	1.60	1.65	1.53	1.07	1.04	1.10
Bank of China	1.31	1.36	1.45	92	98	102	120	118	116	1.50	1.52	1.60	1.20	1.25	1.30
Bank of Montreal	1.32	1.28	1.24	100	100	100	132	128	124	1.54	1.50	1.50	1.18	1.20	1.20
Barclays Capital	1.25	1.25	1.45	92	87	87	115	109	126	1.56	1.60	1.91	1.22	1.20	1.07
BNP Paribas	1.25	1.17	1.14	92	88	96	115	103	109	1.51	1.36	1.37	1.21	1.25	1.23
Calyon	1.29	1.25	1.32	95	93	100	123	116	132	1.54	1.49	1.59	1.20	1.23	1.17
CIBC World Markets	1.27	1.18	1.12	92	90	95	117	111	106	1.51	1.42	1.30	1.22	1.29	1.35
Citi	1.29	1.29	1.21	99	100	103	128	129	125	1.62	1.61	1.46	1.18	1.21	1.32
CMC Markets	1.28	1.28	1.39	96	98	102	123	125	142	1.50	1.46	1.53	1.17	1.19	1.10
Commonwealth Bank of Australia	1.22	1.22	1.28	95	97	110	116	118	141	1.45	1.55	1.58	1.20	1.20	1.18
Danske Bank	1.23	1.21	1.16	94	94	102	116	114	118	0.85	0.86	0.80	1.19	1.21	1.28
Dresdner Kleinwort	1.28	1.25	1.10	95	100	109	122	125	120	1.52	1.44	1.43	1.19	1.18	1.32
FXCM	1.58	1.57	1.56	107	108	107	169	170	167	1.98	1.98	1.97	1.02	1.01	1.02
Gain Capital	1.25	1.25	1.25	96	100	105	122	125	136	1.50	1.54	1.55	1.23	1.23	1.25
GFT	1.30	1.36	1.42	98	100	102	127	134	145	1.60	1.75	1.90	1.15	1.12	1.10
HSBC	1.32	1.27	1.24	102	101	112	135	128	138	1.61	1.51	1.49	1.16	1.20	1.27
Informa Global Markets	1.28	1.25	1.15	98	97	105	125	121	121	1.49	1.40	1.45	1.19	1.21	1.25
JP Morgan	1.28	1.18	1.23	94	87	100	121	103	118	1.60	1.48	1.55	1.17	1.21	1.21
Lloyds TSB	1.26	1.24	1.18	95	97	100	120	120	118	1.48	1.46	1.39	1.23	1.25	1.30
Merrill Lynch	1.21	1.19	1.20	94	93	97	114	110	116	1.44	1.42	1.44	1.20	1.19	1.17
National Australia Bank	1.30	1.34	1.40	98	102	106	127	137	148	1.52	1.58	1.68	1.20	1.22	1.25
Rabobank	1.28	1.25	1.17	96	100	106	123	125	124	1.52	1.53	1.49	1.20	1.20	1.24
RBC Capital Markets	1.23	1.20	1.15	96	97	98	118	116	113	1.50	1.56	1.53	1.20	1.21	1.23
Royal Bank of Scotland	1.37	1.36	1.20	99	104	89	136	141	107	1.62	1.64	1.47	1.13	1.10	1.26
Saxo Bank	1.22	1.20	1.30	98	93	92	118	112	120	1.50	1.45	1.60	1.20	1.22	1.18
Scotia Capital	1.30	1.33	1.44	100	100	99	130	133	143	1.63	1.65	1.77	1.15	1.14	1.09
SEB	1.26	1.24	1.25	95	97	100	120	120	125	1.48	1.44	1.49	1.21	1.19	1.24
Société Générale	1.20	1.20	1.30	85	90	115	102	108	150	1.50	1.46	1.57	1.17	1.27	1.25
St George Bank	1.29	1.27	1.34	100	102	108	129	129	144	1.58	1.55	1.53	1.17	1.17	1.17
Standard Chartered	1.28	1.20	1.28	97	94	115	124	113	150	1.58	1.45	1.60	1.15	1.22	1.16
Thomson - IFR	1.30	1.32	1.30	96	98	89	124	129	115	1.45	1.40	1.65	1.23	1.26	1.19
TMS Brokers	1.33	1.25	1.40	101	96	106	129	120	148	1.59	1.50	1.70	1.18	1.19	1.14
TD Securities	1.25	1.25	1.40	95	98	102	114	123	143	1.50	1.55	1.72	1.22	1.17	1.04
UBS	1.20	1.25	1.20	90	95	95	108	119	114	1.41	1.45	1.40	1.18	1.18	1.28
UniCredit MIB	1.27	1.22	1.24	97	90	107	123	110	133	1.60	1.53	1.62	1.18	1.20	1.25
Wells Fargo	1.24	1.20	1.28	93	90	102	116	108	131	1.47	1.43	1.55	1.24	1.27	1.22
Westpac	1.28	1.24	1.20	98	98	105	125	122	126	1.63	1.58	1.45	1.13	1.16	1.20
CONSENSUS VIEW	1.2811	1.2637	1.2709	96.13	96.48	101.70	123.13	121.89	128.73	1.5260	1.5056	1.5398	1.1831	1.1975	1.2110
STANDARD DEVIATION	0.0626	0.0758	0.1108	3.6497	4.6575	6.5929	10.2175	12.2443	14.7175	0.1422	0.1516	0.1876	0.0420	0.0563	0.0830
BULL/BEAR VALUE	0.0630	-0.1280	-0.0365	0.0022	0.0026	0.0101	0.0012	0.0002	0.0040	-0.0168	-0.0108	0.0353	-0.5846	-0.2253	-0.0189

\* 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 November 28, with €//\$ trading at 1.2761, \$/¥ at 95.35, €/¥ at 121.64, £/\$ at 1.5297, \$/Sfr at 1.2129