



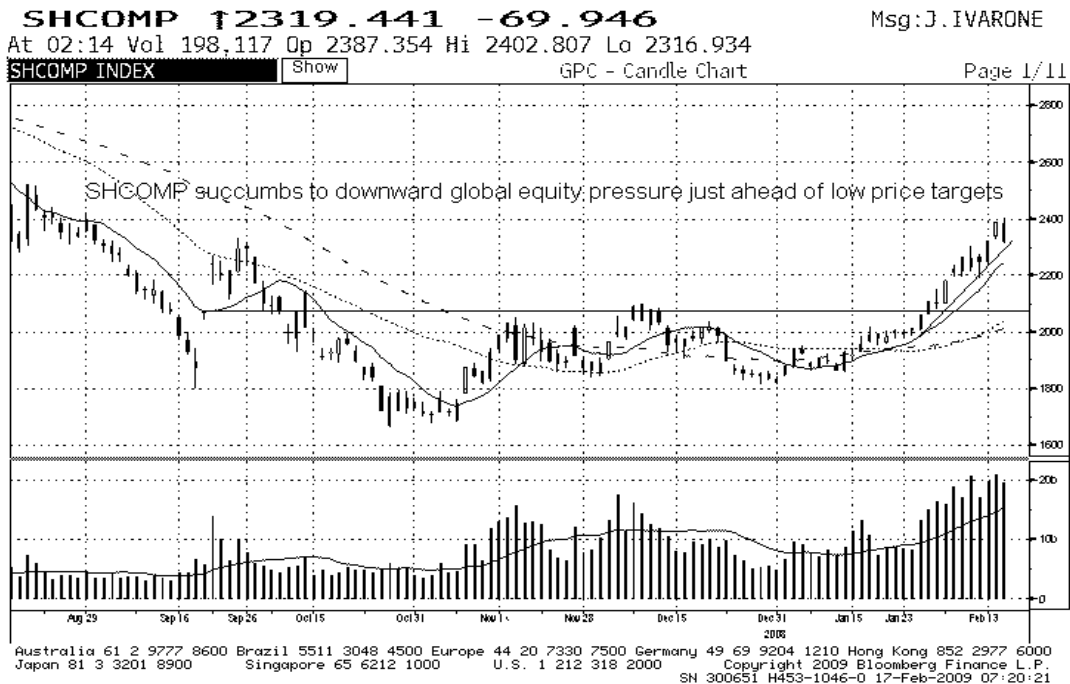
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Morning Comments February 17, 2009

SPX prices attempted to stabilize Friday as VIX rejected sub 40s pricing but now fear goes up an octave this morning as reflected in gold and USD pricings and it feels like the markets wont be happy until they see an episode of panic. The root of todays fear appears to be the ongoing collapse in E European currencies (personally it was the Japanese GDP figures that freaked me out) and we have highlighted these and other tertiary currencies many times in the past few months but now the general TV watching traders seem to have caught on. These currencies have been unraveling for quite some time and are in the late stages of decline (often the most dynamic.) We are much more concerned with the health of BRL and MXN which have yet to show accelerating breakdown and have high inverse SPX correlations. Watch these closely for signs a panic episode can be forced to emerge. MXN is more advanced while the BRL has been reluctant to give ground to the USD thus far.

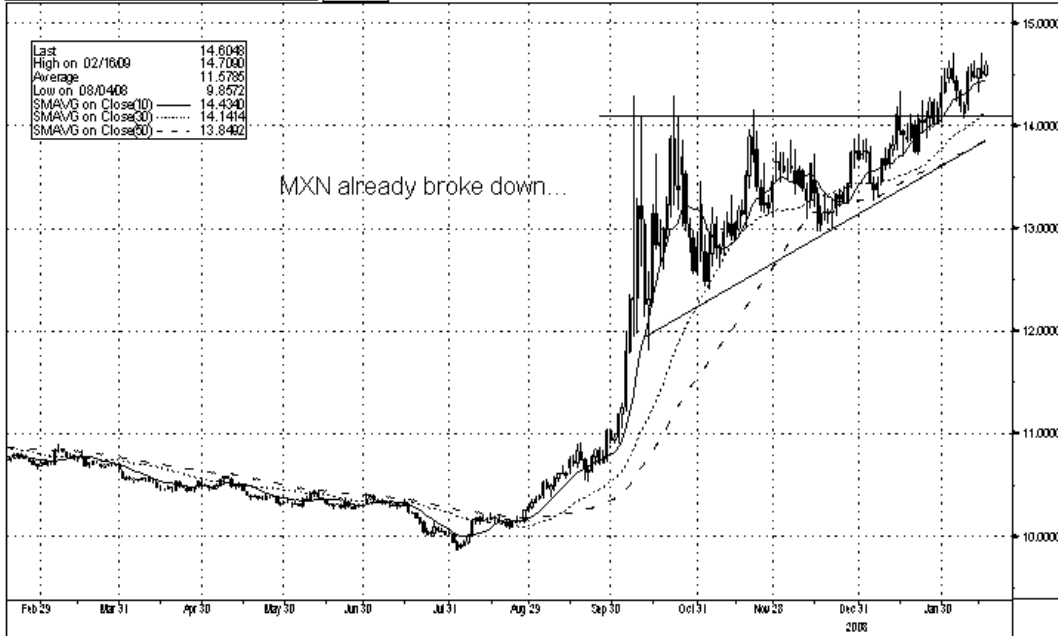
SHCOMP hit the wall just in front of the low end of our target range unable to continue its lonely climb. We believe this market will make another try at target levels post some consolidation.



The results presented should not and cannot be viewed as an indicator of future performance.
 Charts courtesy of Bloomberg Finance L.P.

MXN ↓ **14.6048** +.1048 BGN 14.5966/14.6130 BG CurncyGPC
 At 8:12 Op 14.5000 Hi 14.6264 Lo 14.4855 Close 14.5000 Value 2/19/09

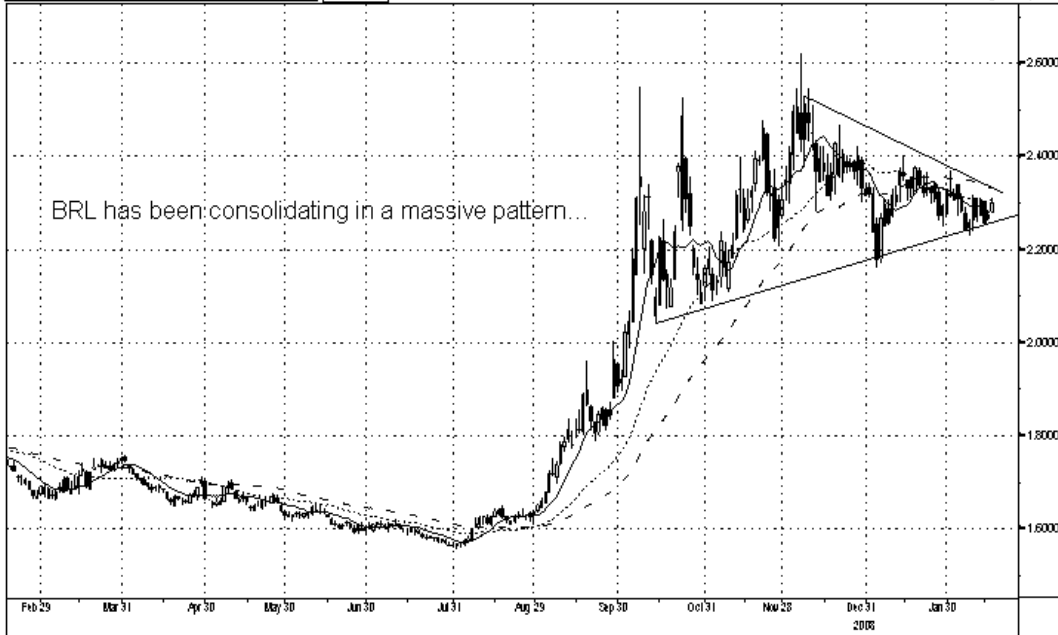
MXN BGN CURRENCY Show GPC - Candle Chart Page 1/19



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
 SN 300651 H453-1046-0 17-Feb-2009 08:12:45

BRL ↓ **2.2995** +.0255 BGN 2.2990/2.3001 BGN CurncyGPC
 At 8:11 Op 2.2810 Hi 2.3093 Lo 2.2809 Close 2.2740 Value 2/19/09

BRL BGN CURRENCY Show GPC - Candle Chart Page 1/19

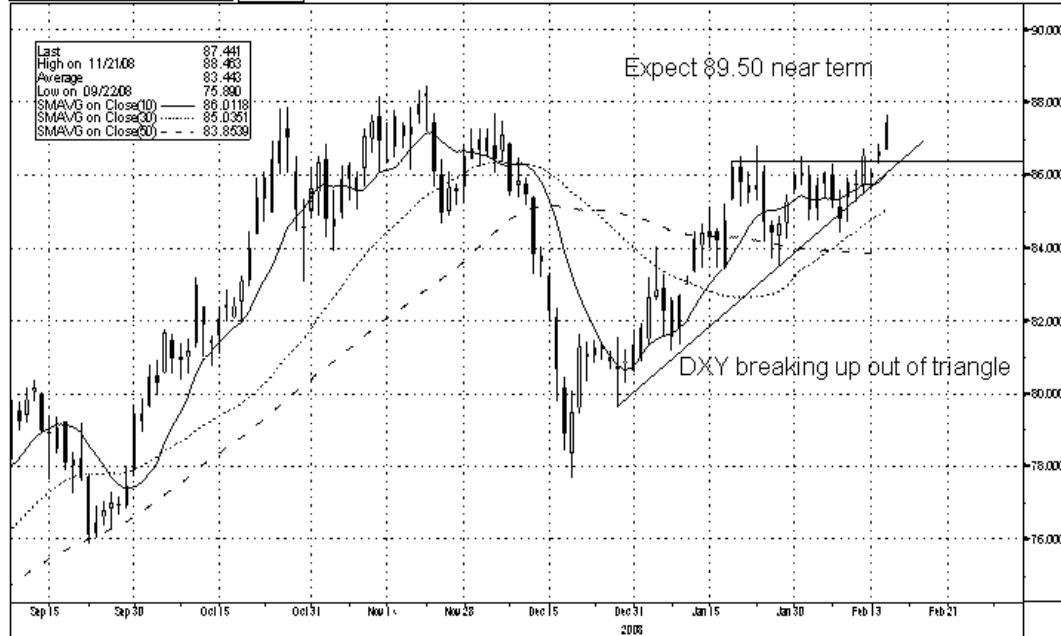


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 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
 SN 300651 H453-1046-0 17-Feb-2009 08:11:44

DXY ↑ **87.441** +.781 Y /
 At 7:28 Op 86.727 Hi 87.685 Lo 86.672 Prev 86.660

Currency **GPC**

DXY CURRENCY Show GPC - Candle Chart Page 1/11



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 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
 SN 300651 H453-1046-0 17-Feb-2009 07:28:36

DAX ↑ **4256.44** -110.20
 At 7:09 Op 4329.35 Hi 4329.70 Lo 4236.80 Prev 4366.64

Index **GPC**

DAX INDEX Show GPC - Candle Chart Page 1/11



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