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## Morning Comments January 14, 2009

The US Dollar continues to strengthen up to the area that produced a small top and is challenging resistance at its 50dMA even as the EUR Yen cross fades into the bottom of lateral support that has produced positive reactions on 4 occasions over the last 3 months. Crude has been working off the currency strength and has declined into a reset of the late December reaction which shocked prices up to 50. Oscillator work had been diverging positively and we think a good risk reward trade is setting up. We base this thought in the belief that dollar resistance is lining up with lateral support in crude that affords a tight stop and meaningful upside. Coincident support in the EUR Yen cross and critical lateral support in SPX at 855 further bolster our belief in the trade. Clearly we are at critical junctures for a number of markets and prefer to bet that known areas of support hold rather than wager on disaster here. We would also like to point out that TNX has faded back to the level of its previous exhaustion gap and subsequent upsurge. VIX is back to the neckline on a huge double top just under 50. Pretty much everything we look at is lined up for disaster or relief immediately. Today we test whether the market has done its discounting work or whether its just tuned into the TV reacting to news. We prefer to bet on relief understanding that stops are tight and close by and upside is meaningful if the axe cant fall right now.



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

CL1 ↑ **38.87** +1.09 S S 38.84/38.87 S 1x3 Comdty**GPC**

At 7:48 Vol 11,758 Op 38.72 Hi 39.45 Lo 38.48 Prev 37.78

CL1 COMB COMDTY  GPC - Candle Chart Page 1/19  
 Range: 01/14/08 - 01/14/09 Upper  Candle Chart  Mov. Avgs  Currency  USD   
 Period:  Daily  Lower  None  Mov. Avg  15  Events

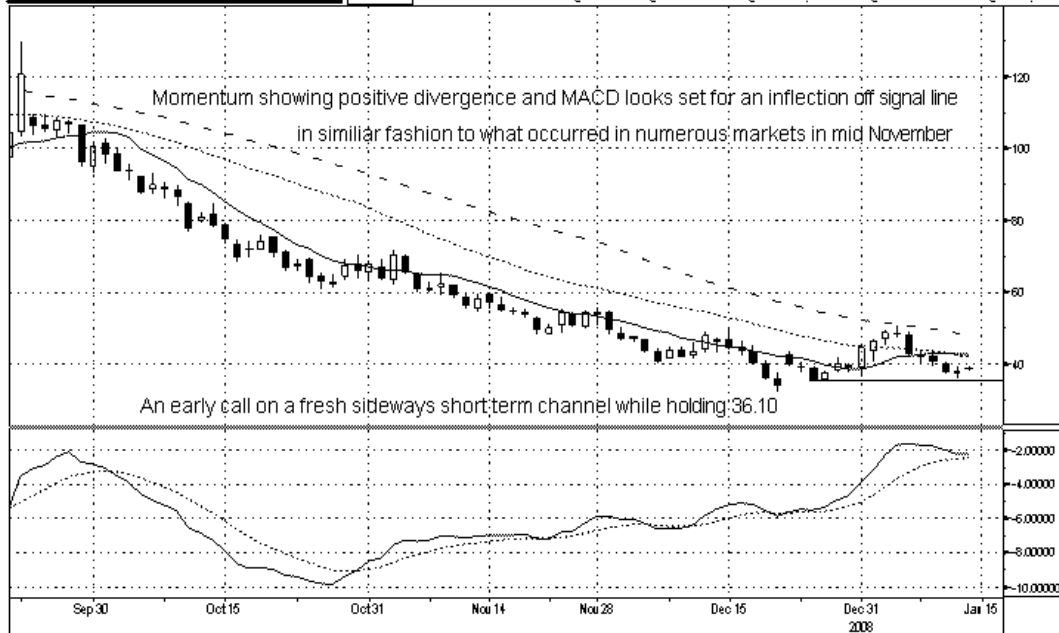


Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.  
 14-Jan-2009 07:49:06

CL1 ↓ **38.64** +.86 S S 38.64/38.66 S 1x6 Comdty**MACD**

At 7:55 Vol 12,032 Op 38.72 Hi 39.45 Lo 38.48 Prev 37.78

CL1 COMB COMDTY  MACD - Moving Average Convergence/Divergence Page 1/11



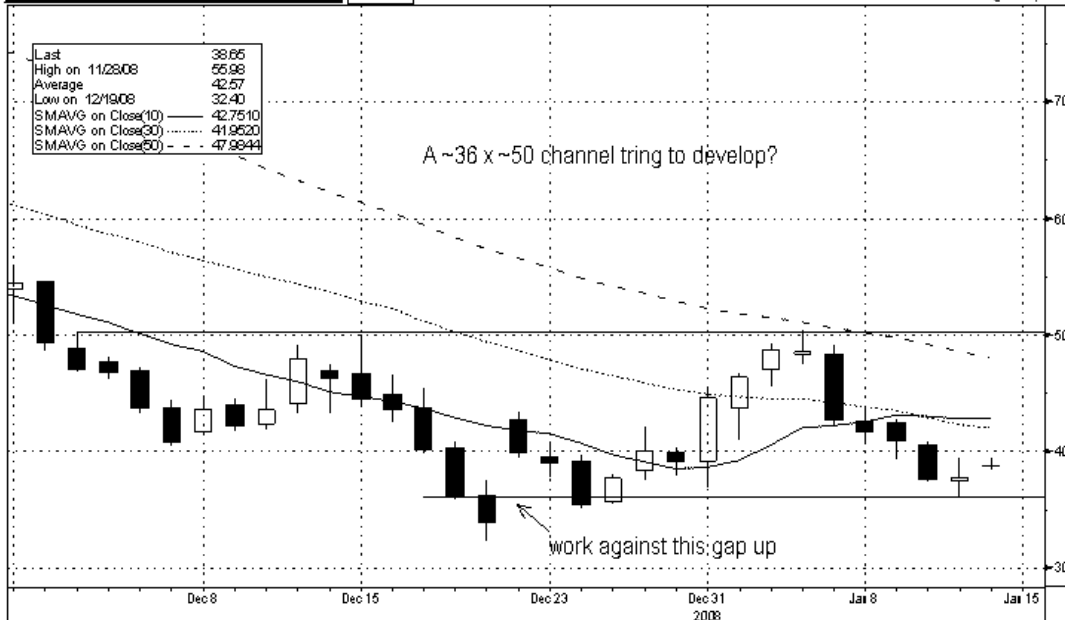
Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.  
 14-Jan-2009 07:55:19

CL1 ↑ **38.65** +.87 S S 38.65/38.66 S 4x2 ComdtyGPC  
 At 7:56 Vol 12,052 Op 38.72 Hi 39.45 Lo 38.48 Prev 37.78

CL1 COMB COMDTY Show

GPC - Candle Chart

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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.  
 14-Jan-2009 07:56:13

EURJPY ↑ **117.98** +.17 BGN 117.96/118.00 BGN CurncyGPC  
 At 8:06 Op 117.81 Hi 119.74 Lo 117.72 Close 117.81 Value 1/16/09

EURJPY BGN CURNCY Show

GPC - Candle Chart

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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.  
 14-Jan-2009 08:06:59

**TNX** ↑ **22.75** - .22 m  
At 8:26 Vol 0 Op 22.77 Hi 22.77 Lo 22.72 Prev 22.97

Msg: J.IVARONE

TNX INDEX 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.  
14-Jan-2009 08:26:34

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