

## Morning Comments January 16, 2009

The DXY failed on its first test of resistance v. the area of supply that defined support in the mid October- mid December top and we suspect that dollar buyers are again wondering as to the worth of a currency that is being printed with reckless abandon amidst a broken banking system. While we suspect that major lows may have been seen in the DXY from a long term perspective (as perverse as that may appear on the surface) in the short to intermediate term substantial consolidation is likely in the cards at current levels. We like working inverse USD strategies versus 85 closes DXY. The CRB is indeed now moving sideways rather than down in consolidative fashion as it recognizes this dynamic.

At some level the tendency for crude and equity to move in tandem as an expression of economic activity/health will break as accelerating lower equity prices must needs be addressed by accelerating the printing press at Treasury and this relationship will break. We cant profess to know whether that will occur with Crude at 5 or 35 but we will let the market show us. The sideways movement in CRB while DXY comes to supply and the massive volume in USO show us that the market is trying to establish a turn at current levels.

SPX bounced immediately off its first test of the December 1 reaction and we find it interesting that prices powered forward to close above the climax low of 10/10, the market has drawn clear lines in the sand in our opinion and the attached chart is self explanatory.



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

**DX Y** ↓ **83.784** - **.656** Y /  
 At 8:10 Op 84.441 Hi 84.546 Lo 83.580 Prev 84.440

Currency**GPC**

DX Y CURRENCY Show GPC - Candle Chart Page 1/11

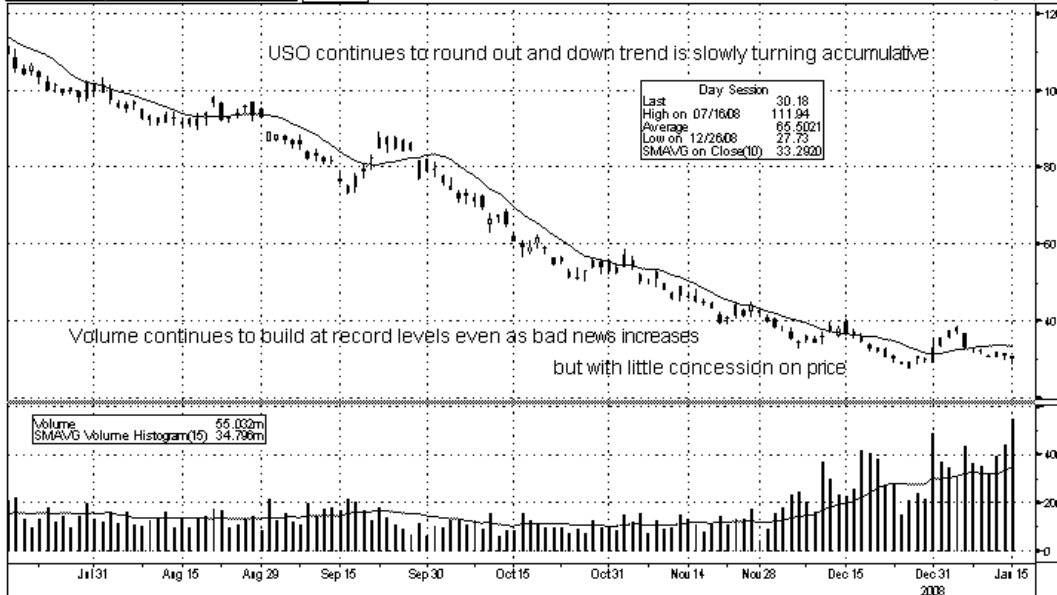


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 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.  
 16-Jan-2009 08:10:59

Equity**GPC**

USO US \$ Market T **30.23/30.25** P 10x10 Vol 82,987 Prev 30.18

USO US EQUITY Show GPC - Candle Chart Page 1/11



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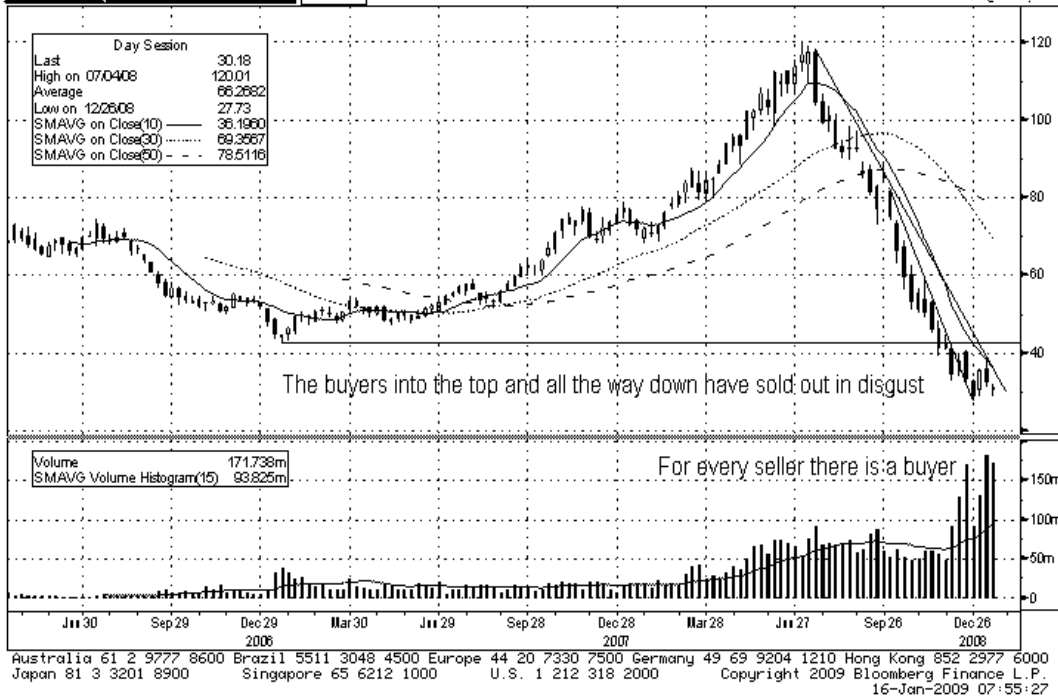
EquityGPC

USO US \$ Market P 30.14/30.19 P 1x10 Vol 87,087 Prev 30.18

USO US EQUITY Show

GPC - Candle Chart

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CL1 ↓ 35.45 +.05 S S 35.38/35.41 S 1x2

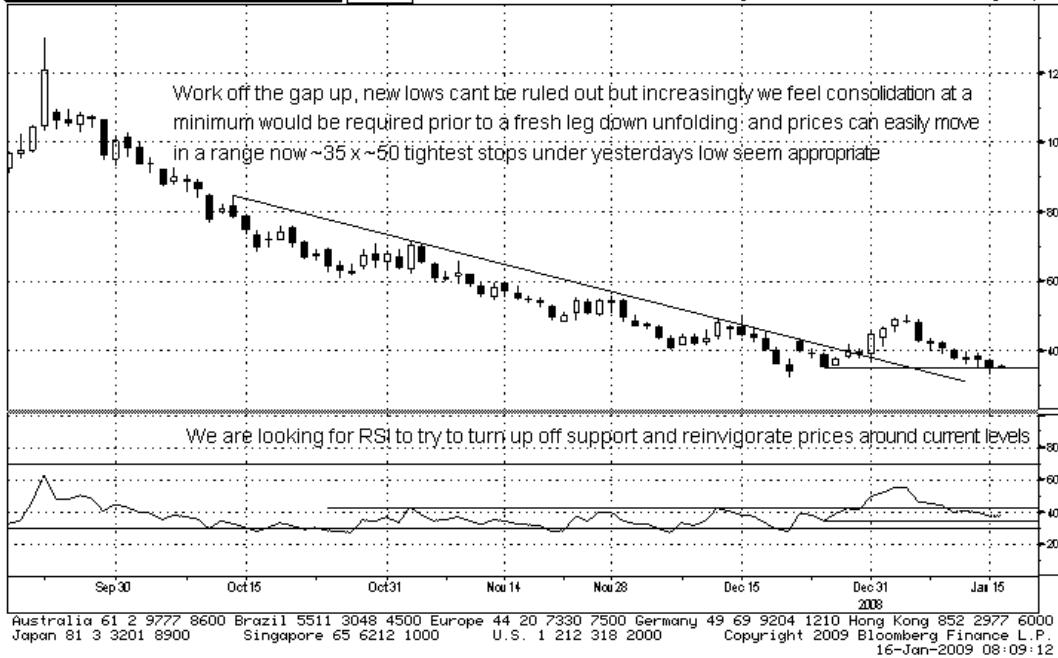
ComdtyRSI

At 8:09 Vol 5,673 Op 35.28 Hi 36.05 Lo 34.77 Prev 35.40

CL1 COMB COMDTY Show

RSI - Relative Strength Index

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