

TREASURY NEWSLETTER

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Highlights in the Foreign Exchange Market

- The Euro consolidated as markets remained confident that Greece will eventually clinch a rescue package, even as the country's political leaders delayed their decision to accept painful terms by yet another day. Failure to secure the €130 billion (\$170 billion) rescue would risk pushing Athens into a chaotic debt default and destabilize the entire Euro zone, an outcome deemed too extreme to believe. European officials stated that the full package must be agreed with Greece and approved by the Euro zone, European Central Bank and International Monetary Fund before February 15th to allow time for complex legal procedures involved in the bond swap to be completed in time for the March 20th bond redemption. Following the news, the Euro reached a low of 1.3026 yesterday and recouped all of its losses to reach a high of 1.3130.
- The Reserve Bank of Australia (RBA) kept its key lending rate unchanged at 4.25%, opposing expectations in the market of further cuts. Additionally, the bank left the door open for more cuts in the upcoming meetings depending on market conditions. The Aussie surged to a high of 1.0806 after the news, and is trading at 1.0795 at the time of writing.

Chart Points and Other Technical Input

CURRENCIES	OPENING RATE	EXPECTED RANGES	SUPPORT	RESISTANCE
EUR	1.3111	1.3025 - 1.3170	1.3085 - 1.3025	1.3170 - 1.3205
GBP	1.5801	1.5710 - 1.5860	1.5770 - 1.5710	1.5860 - 1.5900
JPY	76.69	76.00 - 78.00	76.10 - 75.50	77.30 - 78.30
CHF	0.9196	0.9100 - 0.9300	0.9111 - 0.9060	0.9250 - 0.9320

Brief Technical Commentary

- **EUR/USD:** The pair is expected to move lower as long as we don't go above 1.3200 Intra-day resistance.
- **USD/JPY:** The pair holding the support of all time low and previous intervention by BOJ of (75.55) in OCT 2011. Looking for a move higher with keeping intra-day support of 76.10

Economic Events

Monday	-EUR- German Factory Orders (Act. 1.7%) - GBP- Halifax HPI (Act. 0.6%).
Tuesday	-JPY- Current Account (Fcst. 0.63T) -USD- FED Chairman Testifies.
Wednesday	-EUR- German Trade Balance(Fcst. 14.1B)- JPY- Core Machinery Orders (Fcst. -4.6%) -USD- Crude Oil Inventories (Prev. 4.2M)
Thursday	- EUR - ECB Rate Decision (Fcst. 1.00%) -GBP- BoE Interest Rate Decision (Fcst. 0.5%) - Manufacturing Production (Fcst. 0.3%).
Friday	- EUR- German Final CPI - (Fcst. -0.4%). USD- University of Michigan Consumer Sentiment (Fcst. 74.3) - Fed Chairman Bernanke - Trade Balance (Fcst. -48.2B)

Key Markets Closing Levels

EURUSD	GBPUSD	USDJPY	USDCHF
1.3132	1.5828	76.51	0.9181
GOLD	OIL	DJIA	NIKKEI 225
\$ 1,722	\$ 96.82	12,845.13(-17.10)	8,917.52(-11.68)

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