

FX

TRADER MAGAZINE

THE NEW
DARK
AGE

INTERVIEW
300% RETURN
IN 90 DAYS

KNOW YOUR
CURRENCIES

OPTIONS
BLACK SWANS
VOLATILITY
SMILES

FX SOCIAL
NETWORK

weak dollar
euro troubles

GREEK TRAGEDY IN THREE ACTS
LOOKING BEYOND A SHORT-TERM SOLUTION



WEAK DOLLAR EURO TROUBLES

Greek tragedy in III Acts.
Symptomatic lack of a shared European plan.
Looking beyond a short-term solution.

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TRANSFORMING \$250K IN \$940K IN 90 DAYS

Interview with Jason Stapleton, who generated short of 300% return at a recent trading challenge. He explains the reasons he entered the challenge and the method he teaches on the FX.

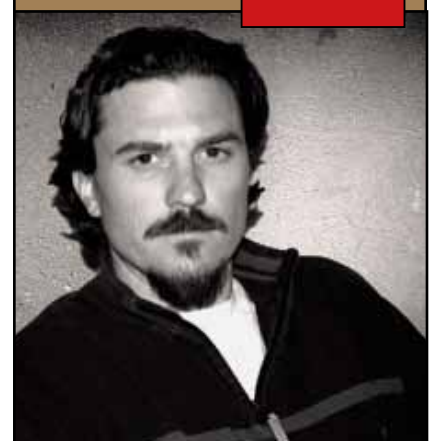
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Greek Tragedy:

Symptomatic lack of
a shared European plan



“Those who have knowledge, don’t
predict. Those who predict, don’t have
knowledge.”

Lao Tzu
(Chinese philosopher, VI sec. BC)

WEAK DOLLAR, EURO IN TROUBLES

Strong Dollar, Weak Dollar

In the past few weeks, we have noted the striking divergence between Eur/Usd and the dollar’s performance in other crosses. The dollar has strengthened by more than 10% versus the euro, but it has remained very weak in most other crosses and is at or close to cycle lows versus Cad, Aud, Mxn and Krw, to name just a few important crosses. US rates are still at very low levels and will likely remain ultra-low for the next several months; indeed, recent comments from Fed officials support this notion and despite recurring interest rates mini-spikes after single better than expected economic figures, it is very unlikely the central bank will try to surprise the market on the hawkish side.

Moreover the US capital flow picture remains fairly weak, suggesting that a structural dollar recovery is unlikely. Developing countries’ central banks keep buying US Government bonds but flows into agencies, corporate credits and equities seem to be hit by disinvestment dynamics from overseas players. But, if the US Dollar is facing two structural

causes of weakness (rates and capital flows), the future is looking increasingly harsh for the Euro.

Euro Crisis

The topic on which markets focused on in the first quarter

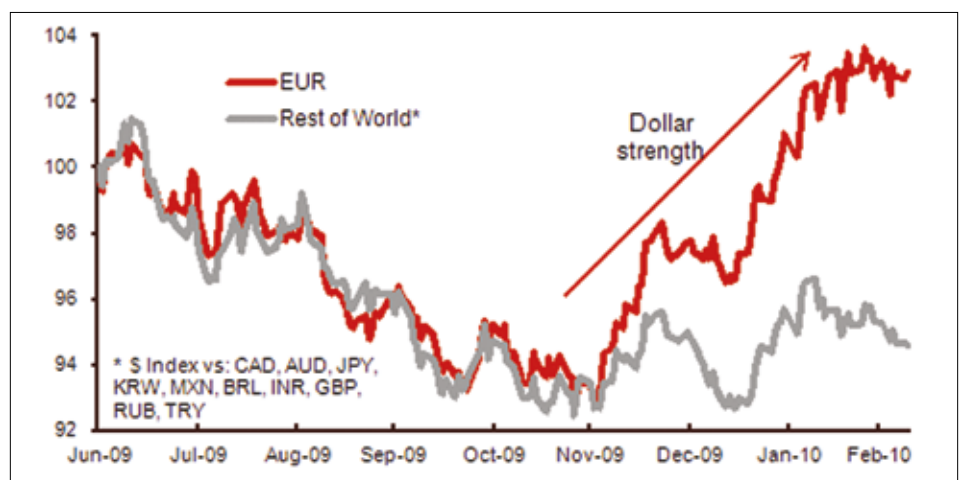


Chart 1. There is more than one US Dollar (Nomura Chart)