



Maximus Capital

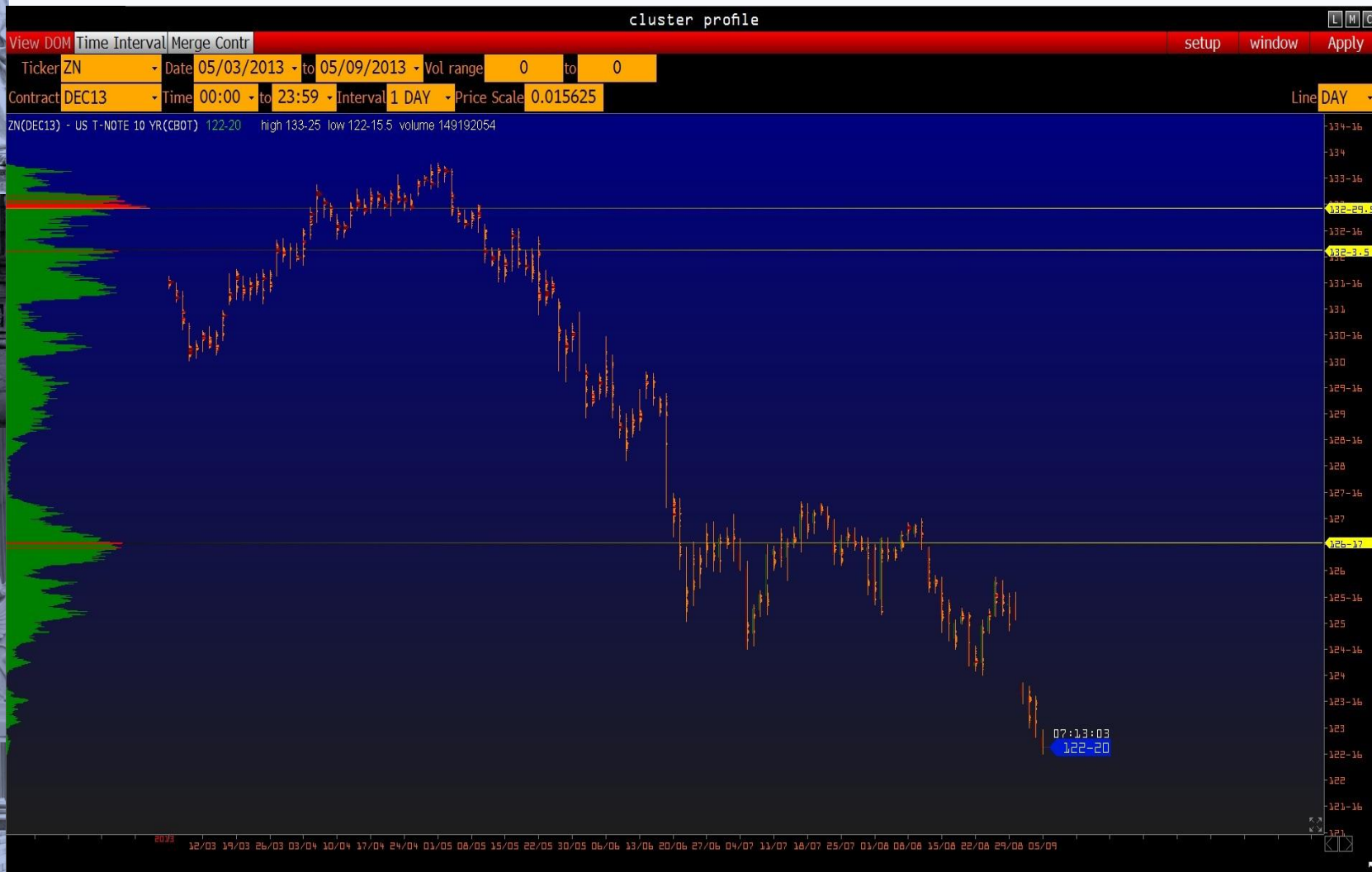
# CURRENCY MARKET ANALYTICAL RESEARCH

06-September-2013



The decision of the Federal Reserve System (FOMC) early in August turned out to be expected, everything remained without changes except for some deterioration of assessments of the American economy, but with expectations of accelerated growth. The report states the following: “The Committee expects that economic growth will correspond to the last rates, and a level of unemployment will gradually decrease. There remain risks for the prospects of economy and labor market”. A level of unemployment remains high and the inflation of 2 % as little as the goal can pose a threat to economic parameters. As regards the FOMC officials’ opinions in their statements all without exception that spoke after formation of unemployment indices are convinced that spring forecasts come true, and stimulation can be reduced. At the next FOMC meeting, the results of which nobody is sure of, that will take place on September 17-18 a positive decision to reduce asset purchases for the balance will support a strong dollar.

Besides the stock market big money leaves the bond market of the USA. 10 Year Yield profitability continues to grow, and the price for them continues to fall.





The previous decisions of ECB and the Bank of England in August on the monetary policy turned out to be expected. Reaction became apparent only in strong volatility of a pound sterling per 1 trade day.

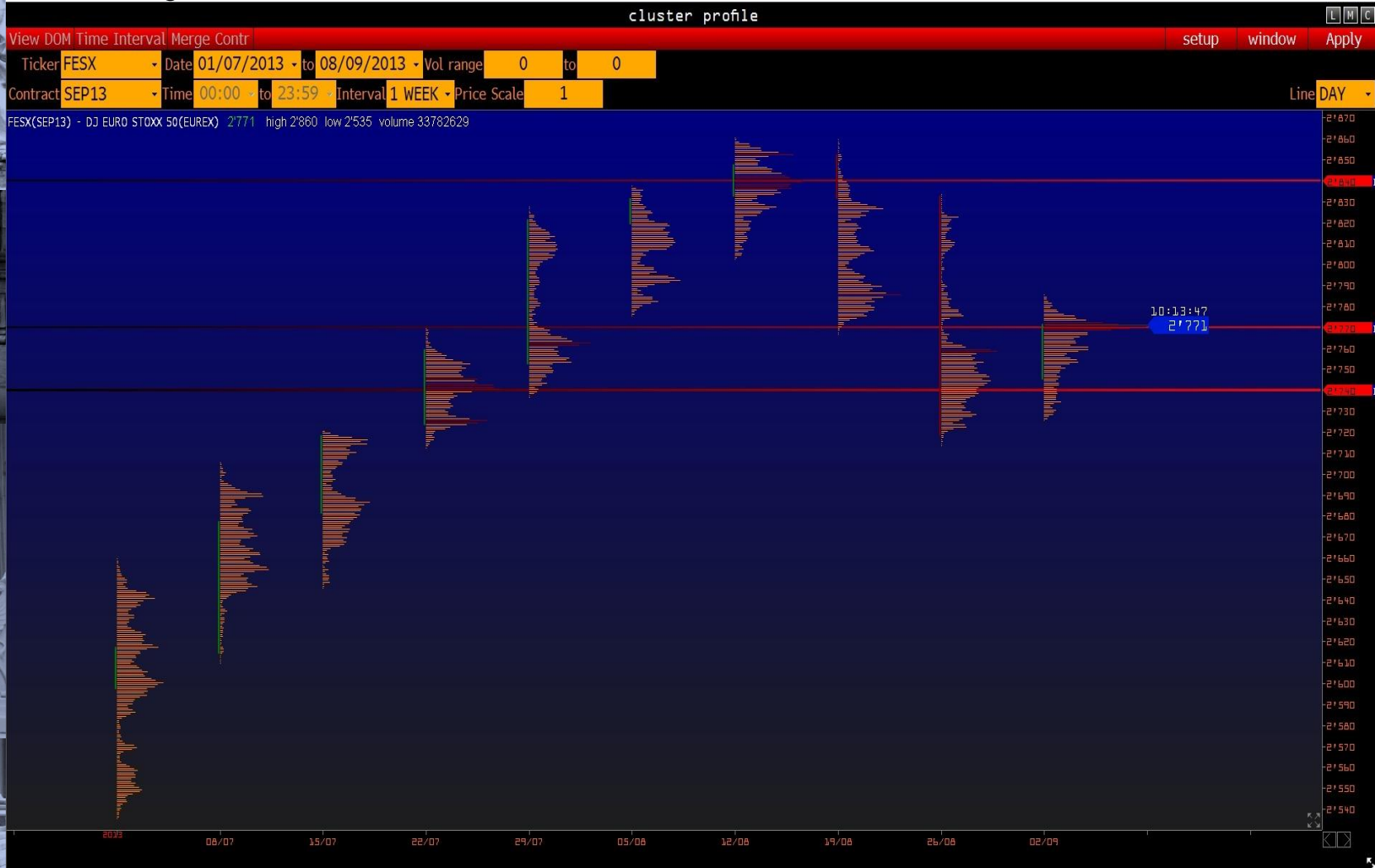




The head of the Bank of England Mark Carney attributed for the first time the prospects of monetary policy to unemployment and undertook to increase stimulation if required. The new chairman stated that the gross national product (GDP) would not reach a pre-crisis level within the next year. He also added that the Monetary Policy Committee would continue to pursue a soft policy to consolidate economic growth. As a level of unemployment remains above 7 %, BOE is ready to carry out further asset purchases if the stimulation is justified. However until unemployment reaches a threshold, the Committee does not intend to reduce considerably the Asset Purchase Program from present 375 billion pounds. At the September meeting the interest rate was not changed.

The European Central Bank (ECB) kept the key interest rate without changes at a record-breaking low level after the published economic data proved once again that the Eurozone started restoring after the longest recession in history. ECB left the deposit rate at a zero level and the limiting credit rate at 1 % level. Mario Draghi noted that in spite of positive dynamics of confidence indices which confirmed improvement of the situation in the Eurozone, low rates of economic growth and a high level of unemployment pointed to a need for continuation of soft monetary policy. Besides this the slow rates of economic growth would restrain inflationary pressure.

DJ Euro STOXX 50 index is the index which reflects an assessment of the largest European enterprises by the European financial markets, shows a volume recovery of big investors after 2 months of growth.

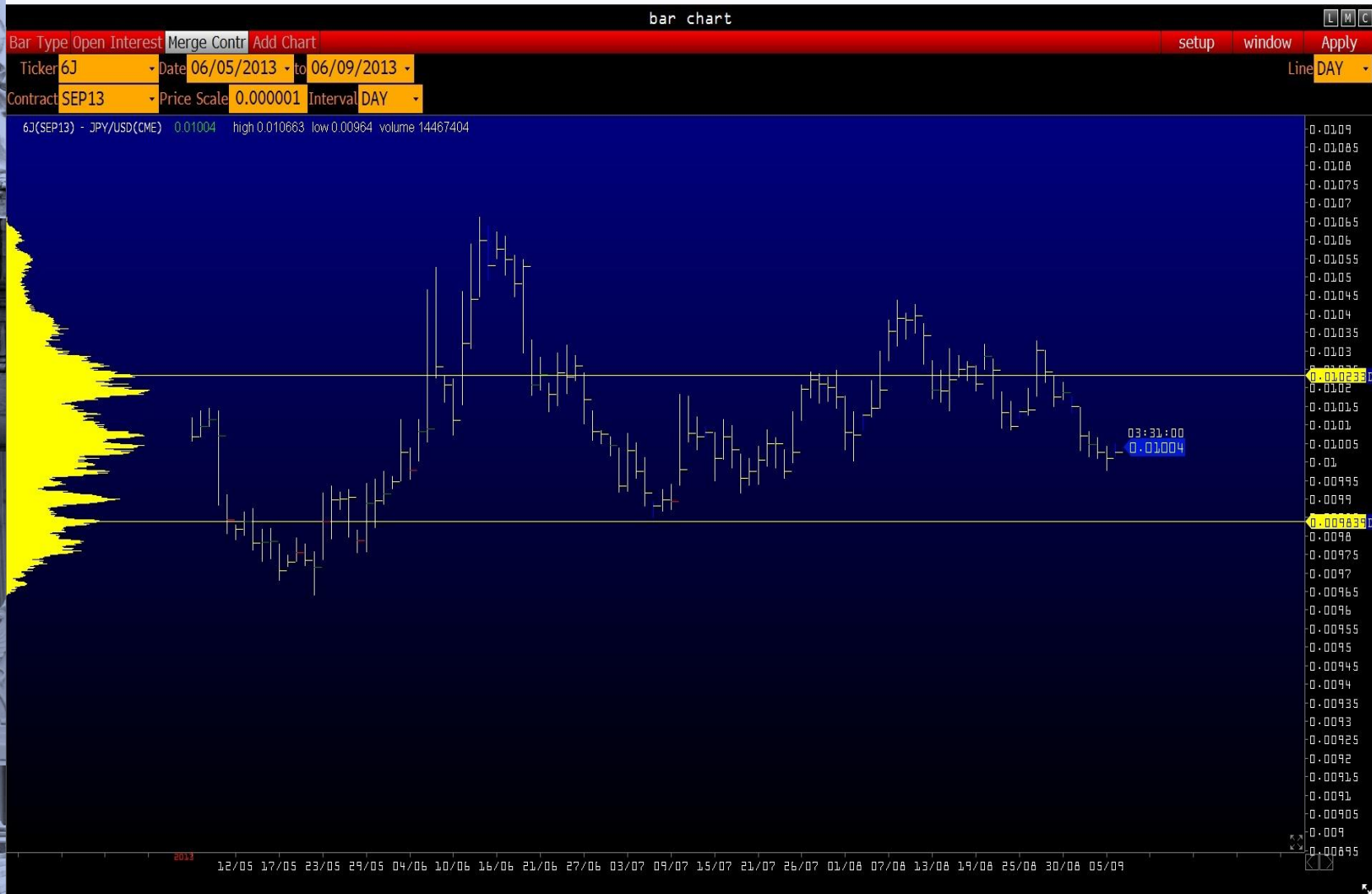






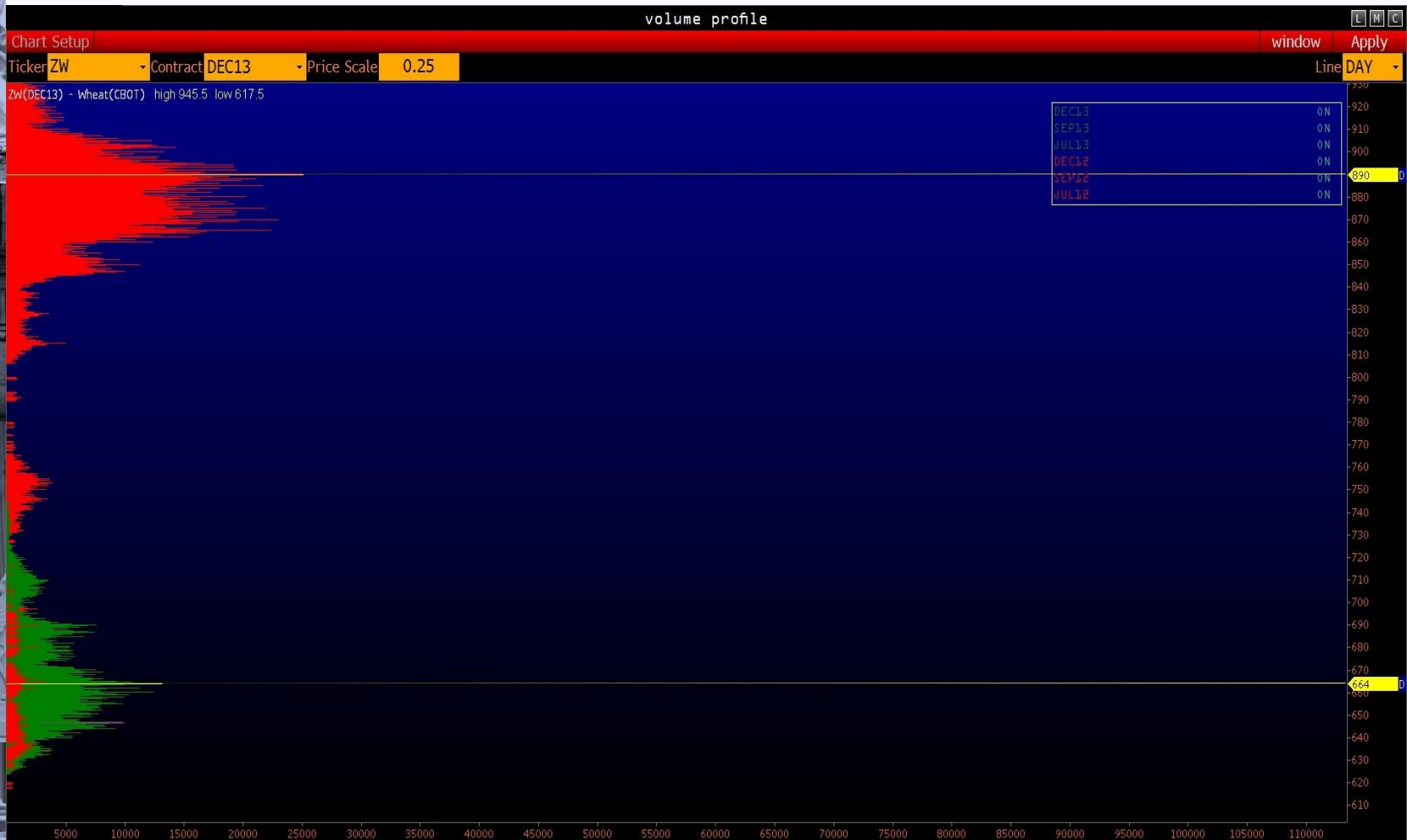
The bank of Japan increased an assessment by economic growth having claimed that moderate restoration went at a full speed. The Central Bank will continue to increase a monetary base by 60 trillion yens (602 billion dollars) up to 70 trillion yens. The monetary base in Japan increased by huge 38 % year to year. However only a small part of money reached economy and markets. Consumer prices grew by a maximum value for the last five years as energy charges increased. Sales tax growth would hit on consumption and growth as a result the head Haruhiko Kuroda would start additional policy relaxation in the first half of the next year. BOJ also claimed that annual price growth rates in the home market would most likely continue to increase gradually. Economy still faced a high degree of uncertainty, a prospect of debt problems in Europe, events in the developing countries and recovery rates in the USA.

A yen makes no headway in a rather narrow range for the fourth months and does not fall.





Big crops in 2013 promoted landslide of wheat futures price. We can see only 2 key prices for the last 6 calendar contracts.

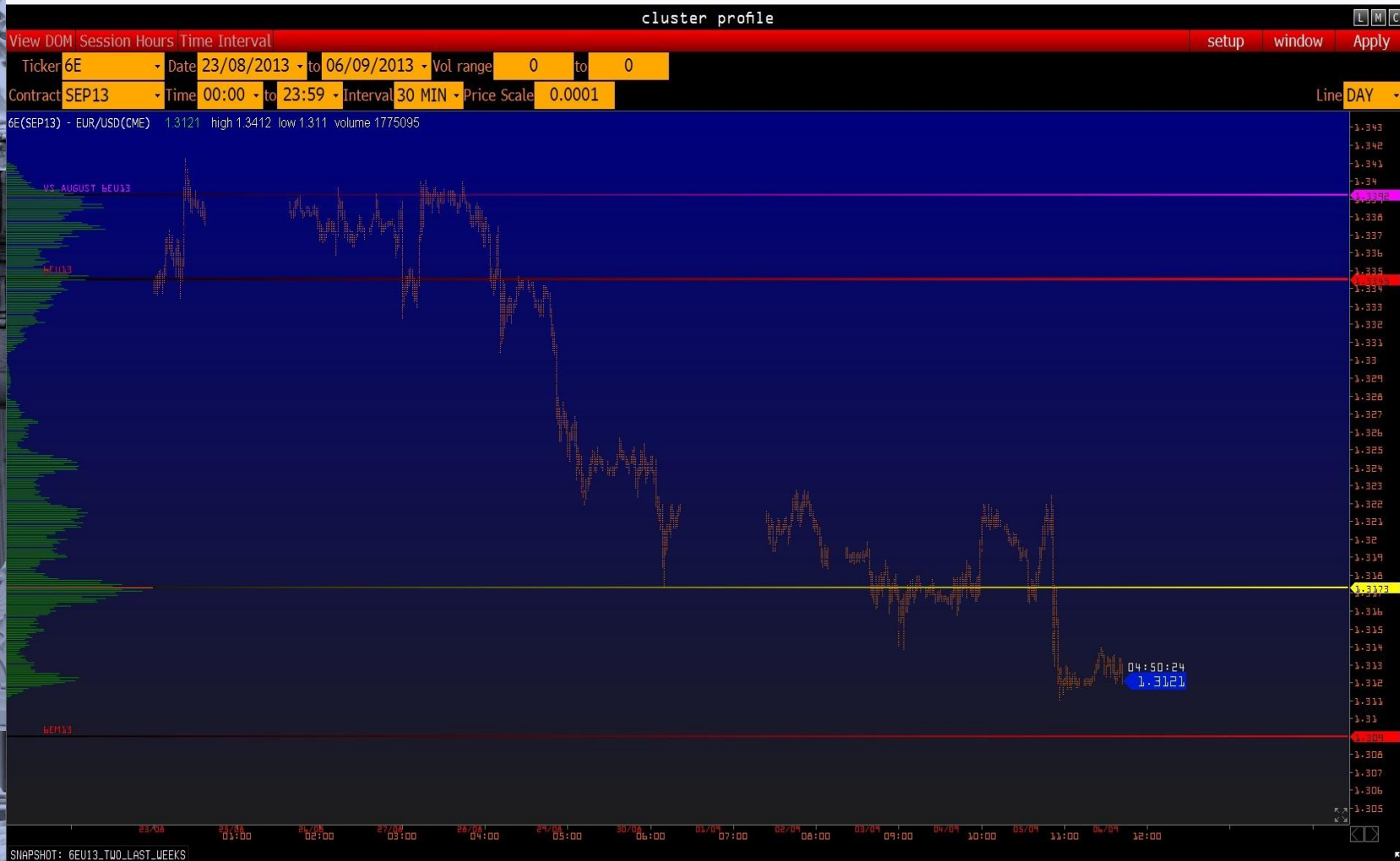


Oil price continues to remain at a high level in connection with worsening of the situation as to Syria.



**Forecast****6E (SEP13) - EUR / USD (CME)**

A key level for euro is 1.3173 – a volume of the 2 last weeks. And also 1.3090 a level of the contract 6EJUN13 historically.

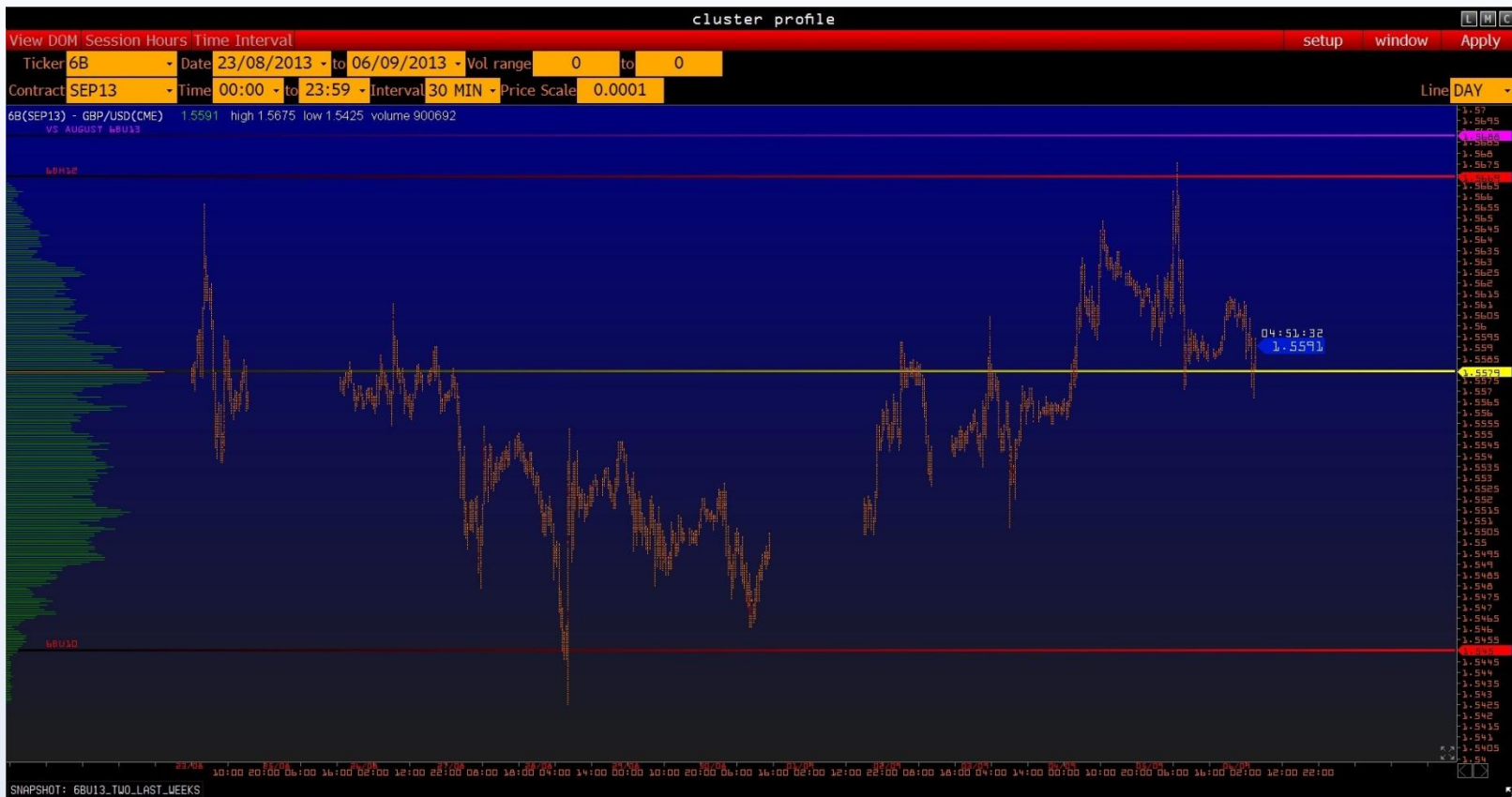




## Forecast

### 6B (SEP13) - GBP / USD (CME)

A key level for pound sterling is 1.5579 - a volume of the 2 last weeks. And also 1.5669 a level of the contract 6BDEC12 historically.



Best Regards,  
Evgeniy Bayrakovskiy,  
Portfolio Analyst

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