

**DIRECT LINKS:**

- ▶ [Forex Trading](#)
- ▶ [New To Forex](#)
- ▶ [Forex Quotes](#)
- ▶ [Charts](#)
- ▶ [White Labels](#)
- ▶ [Asset Managers](#)
- ▶ [Introducing Brokers](#)

## Buffett rescue plan boosted again appetite for riskier assets

### News and Events:

The Yen fell broadly on Tuesday after billionaire Warren Buffett offered to assume troubled bond insurers' liabilities, increasing investor appetite for risky assets such as stocks and high-yielding currencies. Buffett told CNBC television that the plan of his Berkshire Hathaway company would cover \$800 billion in municipal bonds, a step that investors hope might ease recent credit market turmoil. The move reignited risk appetite, sparking a global stock markets rally and sending the low-yielding Yen tumbling across the board. Investors often use the Yen to fund acquisitions of higher yielding assets and currencies. EurJpy jumped to a session high of 157.02 yen, before retracing slightly to trade at 156.53, still 1.05% higher on the day. EurChf firmed 0.51% to 1.6069. UsdJpy firmed 0.49% to 107.35. EurUsd raced to a session peak of 1.4615, before easing to 1.4580 -- up about 0.54% percent from late Monday. Bond insurers guarantee more than \$2.4 trillion of debt and have been struggling to hold on to their top credit ratings after suffering heavy losses from backing mortgage securities that have plunged in value. Markets worry that downgrades would rattle credit markets further and set off more large write-downs on Wall Street. Low yielding currencies such as the JPY and CHF tend to attract flows during periods of uncertainty as their low interest rates reflect the capital surplus of their respective countries. GbpUsd climbed 0.53% to 1.9598. Analysts said again that the European Central Bank will cut interest rates later this year to counter slowing economic growth.



**Bullish Attitude**

**Performance**

**Security**

**Simplicity**

**Transparency**

**Free  
Practice  
Account**

Trade  
Currencies Online  
With the Best  
Conditions



## Today's Key Issues (time in GMT):

**08:30 SEK** 4Q Capacity utilisation -0.2%

**08:30 SEK** Riksbank rate 4% vs 4%

**09:30 GBP** December Average earning 3mth 3.9% vs 4%

**09:30 GBP** January ILO unemployment rate 5.3% vs 5.3%

**10:00 EUR** Dec Euro Zone Industrial production 0.6% vs 0.5% (MoM)

**10:00 EUR** Dec Euro Zone Industrial production 2.3% vs 2.7% (YoY)

**10:30 GBP** Feb 8th, Bank of England quarterly inflation report

**13:30 USD January Advance Retail Sales -0.2% vs -0.4% (MoM)**

**13:30 USD January Advance Retail Sales ex-autos 0.2% vs -0.4% (MoM)**

**15:00 USD December Business Inventories 0.4% vs 0.4%**

**21:45 NZD** January Food price index 0.9%

**23:50 JPY** 4Q GDP deflator -0.9% vs -0.4%

**23:50 JPY** 4Q GDP deflator annualised 1.6% vs 1.5%

**23:50 JPY** 4Q GDP 0.4% vs 0.4%

## The Risk Today:

**EURUSD** Dropped by 2.01% last week at 1.4504 having posted 1.4440 low. Medium term trading range is now 1.4366 – 1.4952. Market traded as low as 1.4440 on Wednesday. Market is turning over 1.4500 pivot support, where below it, market might look down for 1.4280 next support after trendline support holding 1.4311 December low. Initial resistance holds 1.4652 Thursday high.

**GBPUSD** was under pressure last week returning below 1.9590 (38.2% retracement of 1.7049 – 2.1161 advance). Further pressure below 1.9500 might open the door toward 1.9337 January low and 1.9105 (50% retracement of 1.7049 – 2.1162 advance). Return in uptrend will be only confirmed over 2.0000 key level before 2.0100 resistance. Initial resistance holds 1.9590 former support.

**USDJPY** It remains weak below 108, having tested 104.97 low 23rd January and 105.77 low in February. Initial resistance holds 107.89 and strong resistance holds 110.10 mid January double top ahead of 111.92 early January high. Pressure will be relieved over 108. Meanwhile, current trend may look for 106 support and next 104.97 support ahead of 104.20 trendline support.

**USDCHF** Posted a 2 ½ week high Thursday at 1.1104. Initial resistance holds 1.1123 late January high. Market might look for 1.1130 (38.2% of 1.1603 – 1.0838 decline). Early January double top 1.1191 marks strong resistance. Initial support holds 1.0933 Thursday low, 2 figures away from previous week low 1.0732

## Resistance and Support:

EURUSD	GBPUSD	USDJPY	USDCHF
1.5000 K	2.0100 S	114.00 P	1.1500 P
1.4967 S	2.0000 P	110.10 S	1.1191 S
1.4652 M	1.9590 S	108.00 P	1.1123 M
1.4570	1.9590	107.20	1.0933
1.4366 T	1.9388 M	106.00 S	1.0933 M
1.4311 S	1.9337 S	104.97 M	1.0812 K
1.4280 S	1.9105 S	104.20 T	1.0732 S
S: Strong, M: Minor, T: Trendline, K: Keylevel, P: Pivot			

## Quick access to our 5 previous newsletters:

- ▶ [Euro still under pressure on views that ECB will have to cut...](#)
  - ▶ [Dollar steady after G7 weekend meeting](#)
  - ▶ [ECB left rate at 4% and BoE cut by 25bp at 5.25% on weak...](#)
  - ▶ [Forex market await ECB and BoE rate decision and comments](#)
  - ▶ [The Euro drops on expectation the ECB could cut interest rates.](#)
- 

*This e-mail is intended solely for the indicated recipient(s). It may contain privileged and/or confidential information. If you are not one of the intended recipients, please notify the sender immediately and destroy this e-mail: you must not copy, distribute or take any action in reliance on the information contained within. Whilst all efforts are made to safeguard inbound and outbound e-mails, ACM SA cannot guarantee that attachments are virus free or compatible with your software and declines any liability in respect to viruses or computer problems experienced. Any views expressed in this message are those of the individual sender, except where specifically stated to be the view of ACM SA, its subsidiaries or associates. Additionally ACM SA declines any liability connected with losses incurred on transactions based on any market information and/or opinions contained within this e-mail. This message has been checked for all known viruses by McAfee Virus scan.*