



Black Swan Capital

Currency Currents

Tuesday 14 July 2009

www.blackswantrading.com

Key News

- [Mexico Faces 'Unsustainable' Gap, Morgan Stanley Says](#) (Bloomberg)
- [Bank of Canada Survey Says Companies See Best Sales Prospects Since 1999](#) (Bloomberg)
- [Dow Climbs 2.3% In Broad Rally](#) (WSJ)

Key Reports Due (WSJ):

7:45 a.m. ICSC Chain Store Sales Index For July 11 Previous: +0.1%.
8:30 a.m. June Producer Price Index: Expected: +0.1%. Previous: +0.2%.
8:30 a.m. June Producer Price Index, ex-food & energy: Expected: 0%. Previous: -0.1%.
8:30 a.m. June Retail Sales: Expected: +0.4%. Previous: +0.5%.
8:30 a.m. June Retail Sales, ex-autos: Expected: +0.6%. Previous: +0.5%.
8:55 a.m. Redbook Retail Sales Index For July 11: Previous: -4.2%.
10:00 a.m. May Business Inventories: Expected: -0.8%. Previous: -1.1%.
4:30 p.m. Jul 10 API Oil Industry Report
5:00 p.m. ABC/Wash Post Consumer Conf For July 11: Previous: -52.

Quotable

"And none will hear the postman's knock
Without a quickening of the heart.
For who can bear to feel himself forgotten?"

W.H. Auden

FX Trading – Earnings, Stocks and Dollars

First-quarter earnings season, characterized by low-ball estimates and less-bad-than-expected results, helped drive a sharp rally in stock markets and risk appetite.

Second-quarter earnings season began last week. Expectations were rather dismal coming in, but that could already be changing.

-----Internal Sponsorship-----

Currency Strategist: The Premier Daily Trading Report from Black Swan

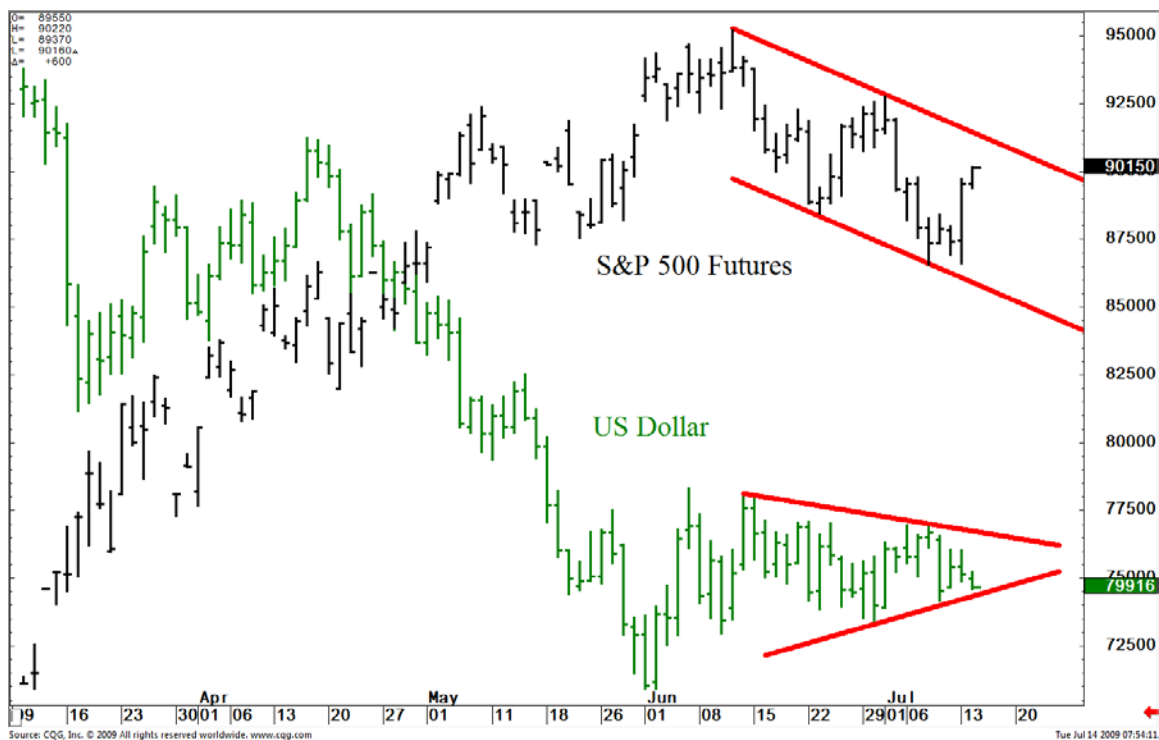
Black Swan Capital's Currency Currents is strictly an informational publication and does not provide individual, customized investment advice. The money you allocate to futures or forex should be strictly the money you can afford to risk. Detailed disclaimer can be found at <http://www.blackswantrading.com/disclaimer.html>

No stone goes unturned in this analysis of global markets and foreign exchange. Each day, this report brings it all: development of long-term market themes, price and sentiment analysis in various timeframes, plus trading recommendations on currency futures, spot FX, currency options and currency-related ETFs

Find the strategies that suit your trading style. [Learn more and sign up](#)

Stocks are stronger as this week gets going, as is risk appetite, because the market is expecting record-setting numbers out of Goldman Sachs today. (I have no comment on Goldman Sachs.) We'll simply have to watch and see what this earnings season morphs into.

A concern I have, watching stocks and the dollar of late, is that even while there's been a steady hit to risk-appetite (stocks) over the last month the US dollar has gone directionless. Typically we'd expect the buck to mirror inversely the move in stocks.



That hasn't happened. Are investors really that frightened by the greenback?

It will be interesting to see how the buck behaves if stocks strengthen for an extended period of time. A tangible breakdown in the US dollar Index on renewed risk-taking could offer an indication of just how bearish investors are on the dollar.

John Ross Crooks III

Black Swan Capital LLC

www.blackswantrading.com

Black Swan Capital's Currency Currents is strictly an informational publication and does not provide individual, customized investment advice. The money you allocate to futures or forex should be strictly the money you can afford to risk. Detailed disclaimer can be found at <http://www.blackswantrading.com/disclaimer.html>