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AUD/USD Testing Uptrend

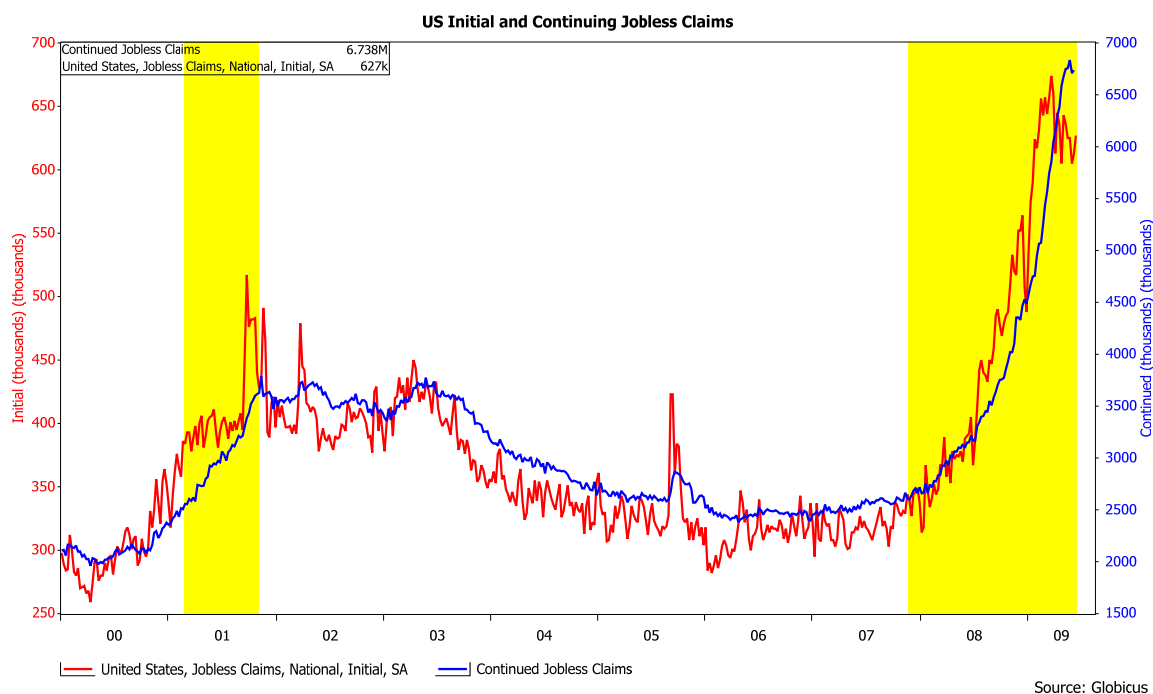
- The dollar traded mostly lower on Thursday after the Federal Reserve announced it curtails some of its liquidity programs "in light of the improvement in financial conditions." Risk appetite improved and the S&P 500 rose 19.32 points to 920.26. The market mostly ignored rising US jobless claims. US Q1 GDP contracted slightly less than earlier estimated. US Treasury yields dropped following a successful auction. The yen fell modestly. Sterling was pressured by UK recovery doubts. The euro, aussie and loonie advanced as stocks and crude-oil future rose.
- The AUD/USD gained today on more upbeat assessment on the global economy following yesterday's cautiously optimistic Fed statement. Highly correlated with risky assets, the pair has been moving sideways (oscillating around the 0.80 handle) as stocks and commodities consolidated huge gains. The AUD/USD is testing the uptrend that started in March. If this support is broken, the pair will likely see a serious decline. There are support in the 0.78 area and resistance from the potential double top in the 0.82 area.



Financial and Economic News and Comments

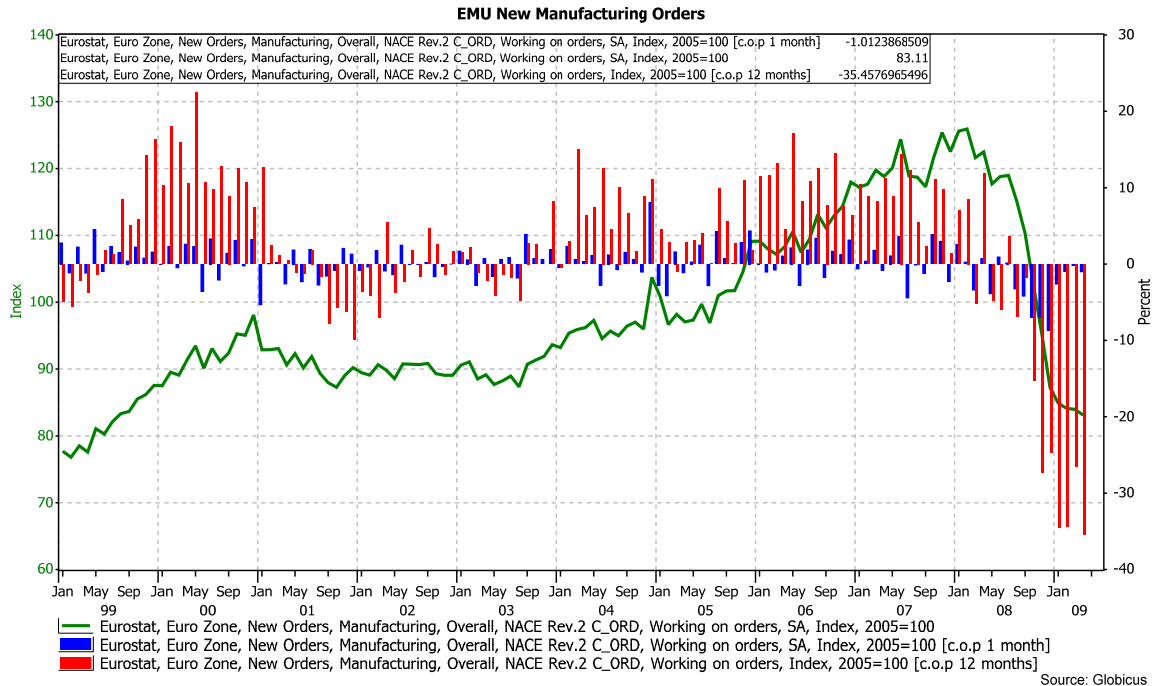
US & Canada

- The Q1 2009 US GDP was upwardly revised to a -5.5% annualized rate from a previously reported -5.7% rate, GDP data from the Commerce Department showed, following a -6.3% rate in Q4 2008. The slight upward revision versus last month's estimate was mostly due to higher net exports and a smaller inventory drawdown than previously reported. The Q1 GDP contracted 2.5% y/y. The largest drags on the Q1 GDP were business investment (down at a 37.3% annual rate), inventories (down at an \$87.1 billion annual rate), and home building (down 38.8% annualized). The largest positive contributors to the Q1 GDP were international trade (with the trade deficit declining at a \$67.7 billion annual rate) and personal consumption (up at a downwardly revised 1.4% annualized rate). The GDP price index rose at an unrevised 2.8% annualized rate in Q1, while core personal consumption expenditure increased at an upwardly revised 1.6% rate.
- US initial jobless claims in the week ending June 20 unexpectedly rose 15,000 to 627,000, after the previous week's upward revision to 612,000, according to data from the Labor Department. The 4-week average of new jobless claims increased 500 to 617,250. Continuing jobless claims in the week ending June 13 rose a more-than-expected 29,000 to 6,738,000, following the preceding week's upward revision to 6,709,000. The insured unemployment rate for the week ending June 13 was unchanged at 5.0%.



Europe

- Eurozone industrial new orders fell for a ninth consecutive month in April, unexpectedly falling 1.0% m/m, after an upwardly revised 0.2% m/m decline in March, data from Eurostat showed. Industrial new orders dropped a more-than-expected 35.5% y/y, following March's upwardly revised 26.5% y/y decrease. Excluding volatile items, April industrial new orders dropped 0.9% m/m and 35.3% y/y.



Asia-Pacific

- The Conference Board Australian leading economic index rose 0.7% to stand at 113.5 in April, a third consecutive rise, after an upwardly revised 0.6% increase in March, pointing to improving prospects for the Australian economy, the Conference Board reported. The coincident economic index increased 0.1% to stand at 112.3 after March's downwardly revised 0.1% decline.
- South Korea's economy will decline 1.5% in 2009 and grow 4.0% in 2010, the Ministry of Strategy and Finance said, raising its previous forecast.
- Taiwan's central bank maintained its key interest rate at a record-low 1.25%, for a second straight meeting.

FX Strategy Update

	EUR/USD	USD/JPY	GBP/USD	USD/CHF	USD/CAD	AUD/USD	EUR/JPY
Primary Trend	Neutral	Neutral	Negative	Neutral	Neutral	Neutral	Neutral
Secondary Trend	Positive	Neutral	Positive	Negative	Negative	Positive	Positive
Outlook	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
Action	Sell	Buy	Buy	None	None	Buy	None
Current	1.3991	95.87	1.6370	1.0939	1.1565	0.8019	134.13
Original Position Objective	1.3904	95.69	1.4845	N/A	N/A	0.6601	N/A
Stop	1.4235	93.40	1.5860	N/A	N/A	0.7670	N/A
Support	1.3750 1.3550	94.50 91.00	1.5900 1.5500	1.0600 1.0400	1.1000 1.0800	0.7800 0.7500	128.00 125.00

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	EUR/USD	USD/JPY	GBP/USD	USD/CHF	USD/CAD	AUD/USD	EUR/JPY
Resistance	1.4100	99.50	1.6600	1.1000	1.1600	0.8200	139.00
	1.4300	101.00	1.7000	1.1300	1.2000	0.8500	142.00

Friday's Economic Calendar

Time (EDT)	Region	Data	Period	Change	Forecast	Previous
2:00	Germany	Import price index	May	m/m	0.3%	-0.8%
2:00	Germany	Import price index	May	y/y	-10.3%	-8.6%
5:30	Switzerland	KOF leading indicator	Jun		-1.75	-1.86
8:00	Germany	CPI - EU harmonised	Jun P	m/m	0.2%	-0.1%
8:00	Germany	CPI - EU harmonised	Jun P	y/y	-0.1%	0.0%
8:00	Germany	CPI	Jun P	m/m	0.2%	-0.1%
8:00	Germany	CPI	Jun P	y/y	-0.1%	0.0%
8:30	US	Personal income	May		0.3%	0.5%
8:30	US	Personal spending	May		0.4%	-0.1%
8:30	US	PCE deflator	May	y/y	0.1%	0.4%
8:30	US	PCE core	May	m/m	0.1%	0.3%
8:30	US	PCE core	May	y/y	1.8%	1.9%
10:00	US	Reuters/U. of Michigan consumer confidence index	Jun F		69	69

Notes: N/A=not applicable/not available, ar=annual rate, sa=seasonally adjusted, nsa=non-seasonally adjusted, wda=working days adjusted, 3 mths=3 months, m/m=month-on-month, q/q=quarter-on-quarter, y/y=year-on-year, ytd=year-to-date, m=million, b=billion, t=trillion, unch=unchanged, a=advance, p=preliminary, r=revised, f=final, GDP=gross domestic product, CPI=consumer price index, PPI=producer price index, PMI=purchasing managers index

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