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ON THE HORIZON

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The Day Ahead: October 22, 2008

Economic Calendar US - October 22							
Date	Time	Event		Survey	MERK	Actual	Prior
10/22/08	7:00	MBA Mortgage Applications	18-Oct	--	--	--	5.10%
Market Consensus Obtained Via Bloomberg							

Day In Review:

- US Fed creates \$540bln new facility to relieve pressure on money market mutual funds caused by redemption requests.
- Weak earnings at bellwethers Caterpillar and DuPont, as well as, Texas Instruments and Sun Microsystems were the primary catalyst for a negative day in equities
- In after hours action. Apple beat earnings estimates coming at
- Flight to safety continued as the Yen continued to see multiyear highs against the Euro and saw another session of positive action vis-à-vis the dollar.
- Important regional banking concerns such as KeyCorp, US Bancorp, Regions Financial Corp and National City Corp all signaled that they may ultimately tap the US Treasury's plan to recapitalize the banks.
- Lehman CDS settlement occurs without any collateral damage in the markets

Day Ahead

- No data risk on Wednesday
- Commercial Bank reserve settlement with Fed
- EIA Petroleum Status Report at 10:35 EDT
- Canadian retail sales and Japanese merchandise trade data at the head of a busy day in international markets
- US Treasury Paulson to speak on China and the global economy
- Minneapolis Fed President Stern to speak on topic TBA.