

**“FOMC to decide on further Rate Cuts”**  
*(After last weeks 75 bps cut, What will the Fed do?)*

**---FOMC takes central stage---**

Last week was very impressive; we began with a surprise 75 bps rate cut by the Fed. This took the market by surprise; however traders reacted pretty well. We didn't have the volatility we could've expected from a significant rate cut. EUR/USD seems to be moving on medium and long term trends again instead of the uncertain short term moves we had during the past few months. This week we have a load of releases including the Fed's scheduled meeting.

Tuesday will be the first important day, we will receive data for current account on Euro Zone and Durable Goods and Consumer Confidence for the US; we expect the effect of this releases to be mixed and have a see saw movement during the day. Wednesday will bring the release of the FOMC decision followed by a press conference by Ben Bernanke, we will get a pretty good look into what is coming our way during this event. We expect to see a rate cut, but the question remains will it be 25 bps, 50bps or even 75bps. We believe 75 is not a possibility, 50 is already in the price action but 25 is certainly possible so the surprise is to the downside and could see a dollar rally if Bernanke speaks hawkish after the announcement. Wednesday will also show figures for GDP and Core PCE, which could be decisive before the FOMC's decision. Thursday movements will be pretty much reactions to what happens on Wednesday but don't forget the release of Personal Spending. Finally we get back to the old employment Fridays, we will get releases such as Non-Farm Payrolls, Unemployment Rate, Hourly Earnings, etc. which will give us a great deal of information regarding the current employment situation.

The technical side is mixed. With the latest move to the north of our graphs, we have some pointing north and some pointing south. We will have to wait and see where the FOMC takes us during the week. After this release is back to basics, wait for indicators to fall into place then get your trigger finger ready.

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**Have a nice week and please remember to focus and be patient.**

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These are our Daily Predictions. For any question or suggestion don't doubt and contact me at [info@nexumcapital.com](mailto:info@nexumcapital.com)

Important Releases	Day/Session	Europe	US	Asia
	Monday	UP	STABLE	STABLE
Current Account, Durable Goods,				
Consumer Confidence	Tuesday	UP	DOWN	STABLE
GDP, Core PCE, FOMC	Wednesday	DOWN	DOWN	STABLE
Personal Spending	Thursday	DOWN	UP	STABLE
Non-Farm payrolls, Unemployment rate, hourly earnings, ISM	Friday	DOWN	DOWN	CLOSED

## EUR/USD

EUR/USD is beginning to listen to medium and long term trends. This will help us stop the uncertain moves created by speculators and news traders that act on the short term based on a single release and not the big picture. Lets wait for the FOMC to step into the market as anything can happen, we expect a rate cut and an aggressive talk by Bernanke, this will help US consumers recover some confidence on their economy and begin to solve the problem of a Consumer Induced Recession.

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## DAILY GRAPH



Indicators are reaching tops and the channel is proving to be stronger than we thought so. We could see a dive in the week if the USD gets supported by its central bank.

## WEEKLY GRAPH



The pair is finally having some respect for channels and technical indicators, lets hope this continues and speculators are pushed out of the market.

Our analysis indicates Short EUR/USD every time it reaches 1.4780

- *Take Profit 1: 1.4700*
- *Take Profit 2: 1.4630*