

FX Crossroads

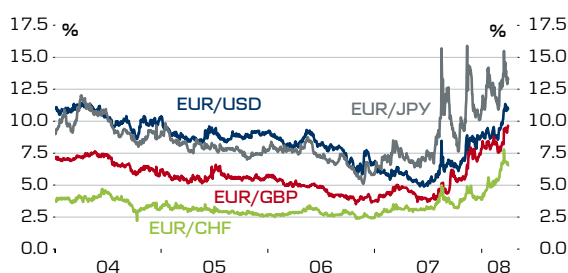
02 April 2008

Heightened FX volatility requires smooth sea manoeuvring

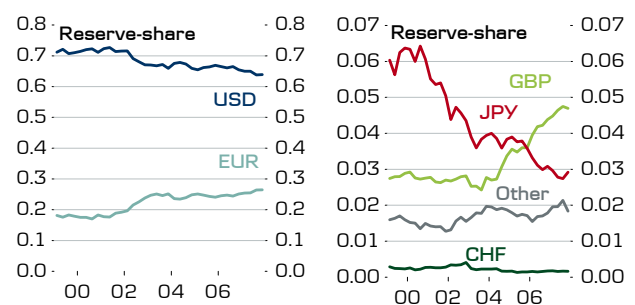
Summary and conclusions

- On 1 April we presented our latest FX forecast update. We continue to expect further weakness in the US economy, a continuation of the financial crisis, and an outperformance by the Eurozone at least in the short-run. We maintain our expectation of EUR/USD to reach 1.60 in three months and USD/JPY to reach 96 in six months.
- The present high-volatile environment presents new challenges. We introduce the FX Sharpe ratio, which is a convenient tool to assess exchange rate forecasts relative to forward rates when taking into account the risk of exchange rate fluctuations. This is extremely helpful when markets are nervous and risk of large swings in currency markets is overhanging. When evaluated against the forward rate and adjusted for expected volatility, we see opportunities in long NOK, short EUR/CHF and long AUD/NZD while the window is somewhat closed for JPY and GBP trades. USD trades seem moderately interesting.
- We also consider the effect on SEK from the Swedish privatisations and take a closer look at the latest world FX reserve data. We conclude that SEK will gain from the privatisations in the medium term and that there is still no sign of diversification out of USD.
- *FX Crossroads* is published every second Wednesday. Next publication date is 16 April 2008.

3-month Implied volatilities



USD FX reserve share remained stable in Q4



G10: Global themes and FX forecasts

Kasper Kirkegaard, Analyst, +45 45 13 70 18, kaki@danskebank.com

Three main themes

Yesterday, we presented this month's FX forecast update, [FX forecast update: Fat lady has yet to sing](#), 1 April, 2008. Here we presented an update on the G10 currencies, while maintaining our forecasts on majors as presented in our last edition, [FX Crossroads: Dollar decline not over yet](#), 19 March 2008. In general, our views on the G10 currencies remain driven by three main themes: (i) the US economic slowdown, (ii) global decoupling/decoupling, and (iii) continued financial distress. We expect these themes to continue to drive the FX markets in the months to come.

US weakness. If anything, recent data has painted an even gloomier outlook for the US economy and we now expect the US economy to contract in H1. The recently adopted fiscal package should secure a decent bounce-back in Q3 before underlying weaknesses gain the upper hand again in Q4. In other words, without the fiscal stimulus, the US would fall into recession this year. Our forecast also entails the ISM falling below 45, a further rise in unemployment and no imminent stabilisation of the housing market. Although we foresee a modest recovery in 2009, we worry that the combination of high inflation, falling house prices, rising unemployment, as well as more restrictive lending practices, will result in prolonged economic weakness.

Recouple or decouple? Another crucial issue for the currency markets is to what extent the world economy can continue to decouple from US weakness. It is hard to believe that a US recession will have no negative repercussions elsewhere, particularly seeing that the effects of the financial crisis are visible in most places. A recoupling with a US slowdown will be beneficial for USD and detrimental to commodity-based currencies. A more pronounced slowing in the euro area is also likely to result in a decline in EUR. So far, however, the data flow has continued to support the idea of economic decoupling. In the near term, we expect the decoupling hypothesis to hold to some degree, resulting in further USD weakness and continued support to commodity-based currencies.

Continued financial distress? An equally important theme is the ongoing financial crisis. March saw a

number of positive developments, including the Fed's attempts to improve the supply of liquidity and the plan to increase the leverage of US agencies. However, bad news continues to weigh more heavily on our scale. Not only did we see the collapse of well-known financial institutions, we also saw rising tensions in the money and credit markets, and we expect that liquidity will continue to command a premium. The financial crisis will lend support to former funding currencies with significant C/A surpluses, including CHF and JPY, and weigh on leveraged currencies. However, the arbitrary nature of the newsflow should not be neglected and increased pressure on European institutions, for example, will weigh on EUR/USD.

FX majors. In the last edition of *FX Crossroads* we presented new forecasts for the majors, which included a higher EUR/USD forecast, such that we expect EUR/USD to reach 1.60 and 1.50 in 3 and 12 months. We also lowered our 6m forecast for USD/JPY to 96 after the 100 target was passed. Finally, we lifted our EUR/GBP forecast to 0.80, 0.82 and 0.78 in 3, 6 and 12M, respectively, while lowering our EUR/CHF forecast. We expect EUR/CHF to reach 1.54, 1.52 and 1.50 in 3, 6 and 12 months, respectively.

FX non-majors. In the latest edition of *FX forecast update* we updated our forecasts on the non-majors. For the Scandies, we remain positive on the Norwegian economy and still see good value in buying NOK on dips. However, before financial distress disappears, we find it hard to expect EUR/NOK much below 7.75. Risk aversion remains a key for SEK and we need to see less financial distress before we expect any strong SEK appreciation. We have kept our existing forecast of SEK weakness in the near term, but expect some strength in the longer run. In the dollar block, we see indications of mounting weakness and have opted to lower our three-month forecast on AUD/USD and NZD/USD slightly, and we still expect both currencies to trend lower in H2. In contrast, we continue to expect CAD to perform relatively well against its southern neighbour and have kept our targets for CAD strength.

G10: Making use of FX forecasts in volatile times

John Hydeskov, Senior Analyst, +45 45 12 84 97, johy@danskebank.dk

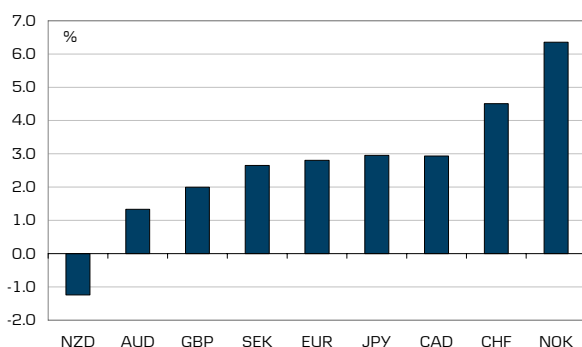
How to adjust good forecasts by taking expected exchange rate movements into account

In this article we present a different angle to evaluating exchange rate forecasts. We introduce the FX Sharpe ratio, which is a convenient tool for assessing exchange rate (ER) forecasts relative to forward rates when taking the risk for exchange rate fluctuations into account. This is extremely helpful when markets are nervous and the risk of large swings in the currency markets is overhanging. When evaluated against the forward rate and adjusted for expected volatility, we see opportunities in long NOKs, short EUR/CHF and long AUD/NZD, while the window is somewhat closed for JPY and GBP trades. USD trades seem moderately interesting.

More uncertainty over expected ER moves

We have recently released our [FX forecast update](#), in which we explain our views on expected exchange rate movements. The views are comprised by valuations of the economic outlooks, expectations of monetary conditions, country-specific factors likely to affect currency markets, and general conditions which can have an impact in the formation of exchange rates. As explained in the previous article, we anticipate more USD weakness in the short term, while the G10 picture is more mixed in the longer term.

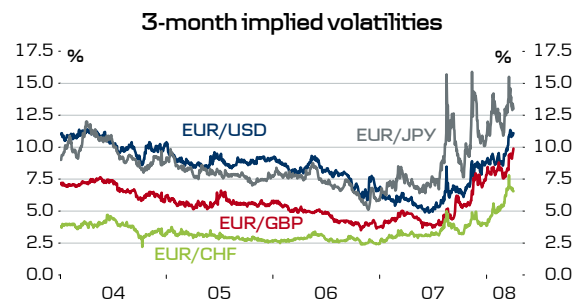
Expected change in USD vs. forwards, 3m



Source: Bloomberg, Danske Bank

Our new FX forecasts are attached with somewhat more uncertainty than a year ago. This is merely a result of the elevated risk towards most asset prices.

Generally, the majority of financial forecasts are subject to substantial uncertainty since several scenarios are currently in play. This is, for example, reflected in the rise in implied volatilities, which measure the uncertainty towards future exchange rate movements.



Source: Ecowin

FX Sharpe ratios – a convenient tool

A given FX forecast reflects an expectation of a certain exchange rate movement over a given horizon. But in order to evaluate a given forecast, at least two things should be taken into account: Firstly, how much does the forecast differ relative to the forward rate? If the forecast equals the forward rate, then the expected exchange rate change will be offset by the rate differential. If the forecast turns out to be right, it has great informational value, but cannot be used for speculation purposes in the FX spot market. Secondly, how much uncertainty is attached to the forecast and how secure can a given investor feel when following a given forecast? This relates to the general risk assessment and the associated possibility of unexpected exchange rate movements. We cement these issues in one single measure, the FX Sharpe ratio.

The Sharpe ratio is a measure of the excess return (or risk premium) per unit of risk in an investment asset or a trading strategy. We define the FX Sharpe ratio as $S = (\Delta R - \Delta F) / \sigma$, where R is the forecasted exchange rate, F is the corresponding forward rate and σ is the expected exchange rate volatility.

The FX Sharpe ratio is easy to calculate. We use the information in FX Forecast Update to obtain R s and we can observe F directly, eg, on Bloomberg or Reuters.

With regards to the expected exchange rate volatility, we have two options: we can either try to estimate the level of uncertainty or we can adopt the market-implied volatilities. As we have not got any reason to believe the current market pricing should be biased towards too much or too little volatility, we choose the latter. This will also encompass the general market perception of exchange rate fluctuations.

The interpretation of FX Sharpe ratios is simple: The higher, the better. The FX Sharpe ratio is used to characterise how well a forecast, which deviates from a forward rate, compensates the investor for the risk taken. When comparing two forecasts, R , against forward rates, F , and relate it to the expected exchange rate uncertainty, the forecast with the highest value of S gives more return for the same risk. One way to choose between trading ideas in the FX spot market could be to pick the one with the higher FX Sharpe ratio.

A few characteristics are observed about the FX Sharpe ratios: Firstly, there is no upper limit for the ratios, ie, in theory they can be indefinitely high. Secondly, the FX Sharpe ratios are measured in absolute terms, ie, no negative numbers are being used. Accordingly, trading ideas cannot be detected when looking at ratios, since no indication is given on directions. As a result, FX Sharpe ratios should be accompanied by the actual forecasts, which are used for setting up appropriate targets. Thirdly, ratios are often seen to grow with the length of time horizon. This is because forecasts often deviate more from forwards further out without risk increasing by the same magnitude. The FX Sharpe ratios should therefore be compared across the same horizon.

The FX Sharpe ratios should not be regarded as a sufficient tool when deciding on positions in the FX spot market. Perhaps the level of risk is of little or no importance in this decision as there is no guarantee for exchange rates fluctuating heavily just because the implied volatility is high. But if investors pay attention to the market-implied risk attached to currencies, they can serve as a convenient tool in evaluating forecasts.

So what do the numbers tell us?

From our recent FX forecast we calculate FX Sharpe ratios for G10 crosses. Over a three-month horizon, we

expect EUR/NOK to decline 3.7% with USD/NOK to fall 5.1%. Accordingly, it looks most favourable to buy NOK against USD than against EUR. But when adjusting for the implied forward rate and the anticipated exchange rate volatility, the picture turns upside down. The EUR/NOK Sharpe ratio is 34.5 while the corresponding USD/NOK Sharpe ratio is 27.5. The Sharpe ratios indicate, in other words, that it might be preferable to short EUR/NOK instead of USD/NOK, because of the lower risk associated with this trade.

FX sharpe ratios - risk adjusted forecasts vs forwards

	1m	3m	6m	12m
EURUSD	12.3	21.4	15.5	24.4
USDJPY	11.5	18.1	24.7	12.3
EURJPY	2.5	1.4	12.2	8.9
GBPJPY	2.4	4.4	28.8	11.0
EURGBP	0.1	4.6	28.7	29.5
GBPUSD	14.4	19.3	10.3	0.9
EURCHF	7.1	23.2	39.9	54.5
USDCHF	13.8	29.4	33.0	4.5
USDCAD	15.0	23.9	9.3	12.9
EURCAD	2.5	4.0	4.7	32.7
AUDUSD	11.6	9.7	4.7	11.1
EURAUD	1.1	8.8	19.6	8.4
AUDNZD	16.1	34.0	22.0	7.1
NZDUSD	0.9	8.8	14.9	12.9
EURNZD	8.8	27.1	30.0	3.2
NZDJPY	7.3	17.4	24.7	3.2
EURSEK	11.3	1.8	8.1	30.2
USDSEK	5.8	17.1	16.7	7.5
EURNOK	34.5	46.8	60.6	73.0
USDNOK	27.5	41.0	44.6	22.0
NOKSEK	43.5	49.0	55.3	50.4
GBPNOK	20.5	32.0	59.6	23.9

In general, most trading ideas including NOK look favourable due to the relatively low expected volatility. However, several other currency pairs leap to the eye; (i) EUR/CHF looks increasingly interesting when expanding the time horizon. The risk is perceived as low and we have a strong call relative to forwards. (ii) Players should generally be careful with AUD and NZD as these are surrounded by substantial risk, which is not compensated for by proportionate deviating forecasts from forwards. If anything, AUD/NZD can be played as fluctuations here are expected to be moderate. (iii) JPY and GBP volatility is expected to remain at elevated levels, which make it difficult to be keen on any trades here. (iv) The most opportunities lie at the six-month horizon. This result is, however, not particularly strong and can be subject to changes if forecasts are adjusted slightly or the risk changes across horizons.

SEK: Swedish government privatisations

Stefan Mellin, Senior Analyst, +46 8 568 805 92, mell@danskebank.se

John Hydeskov, Senior Analyst, +45 45 12 84 97, johy@danskebank.dk

Any support for SEK?

This week the Swedish Government announced the selling of Vin & Sprit AB to French company Pernod Ricard S.A. The price, SEK 55bn, was on the high side of expectations, as even the old estimates of around 45bn were thought to be a bit optimistic given the recent credit market turmoil. Despite the high amount coming from a foreign name, it did not have any direct impact on the SEK. Why was that?

Proceeds used for paying off currency debt

The strengthening of SEK failed to happen since the Debt Office stated that the proceeds will be used to pay off currency debt. The payment was made in USD and EUR. The Debt Office will invest the amount on the international money market in foreign currencies. The funds will later gradually be used for repayment of maturing loans, interest payments and more. Hence, there are no SEK exchanges in this affair, which means that a potential near-term positive trigger disappeared.

However, when the transactions are completed the long-term target of 15% currency debt is reached the Debt Office stated. This means that the Debt Office's regular amortisation of currency debt (SEK selling) which now amounts to SEK 40bn +/- 15bn per year will come to an end. On the margin, long-term positive for the SEK.

Next to watch: Vasakronan

So far the government has sold off part of its share in TeliaSonera (18bn), all of OMX (2bn) and all of Vin&Sprit (55bn). In all 75bn which means that 125bn remain in order to fulfil the plan of 200bn during the mandate period.

Coming up: Government privatisations

Company	Marketcap (SEKbn)	Government share (%)	Government share (SEK bn)	Potential SEK effect
Vasakronan*	45	100.0	45	Medium
Telia Sonera	200	37.3	75	Large
SBAB*	7	100.0	7	Small
Nordea	267	19.8	53	Medium
Total	519		179	

* not listed, external valuations

Given the market conditions and in some cases relatively low valuations it could be argued that it is currently suboptimal to sell some of the companies. So what's next? We think Vasakronan.

Even though the government claims there is no fixed time schedule for the selling of the 100% state-owned real estate company Vasakronan, talks and rumours suggest that this is the company next in line perhaps even in the first half of 2008. The valuation of Vasakronan ranges from SEK 35bn to 50bn. Whether there will be a Swedish or foreign buyer remains an open question, but foreigners are highly likely to be among the speculators. If Vasakronan is sold to a foreign name the fact that the long term currency debt target has been achieved through Vin & Sprit any further FX proceeds should implicate SEK buying later on. That said, in this hypothetical scenario, we doubt that the Debt Office would buy SEK for the whole amount immediately: SEK 35-50bn is a lot and would certainly move the SEK market in an undesired (from the Debt Office's perspective) way if they did. Instead it might use the option to place any proceeds temporarily abroad and spread out SEK exchanges (buying) over time in order not to disturb the SEK market too much.

Global FX reserves: No fall in USD shares

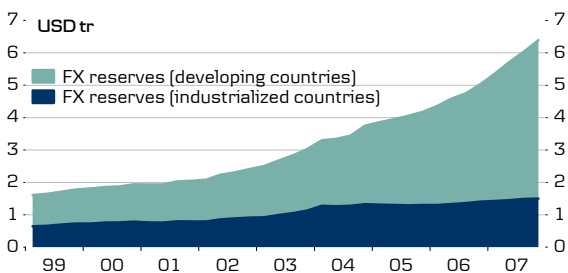
Kasper Kirkegaard, Analyst, +45 45 13 70 18, kaki@danskebank.com

World reserves accelerate

On Tuesday 31 March, the IMF published COFER statistics covering Q4 2007. For an introduction to the IMF COFER data, see [FX Crossroads: New year, new worries](#), 9 January, 2008. The COFER statistics for Q4 confirmed two of the main trends seen in recent years' reserve data: first, growth in world reserves remains very high, and second, there are no signs of reserve diversification out of USD.

The world's total FX reserves now value USD 6.4tr, after growing 26.9% y/y in Q4, which is an acceleration of growth from the previous quarter.

Growth in the world's total FX reserves has accelerated



Source: IMF

The very high growth in world reserves remains driven by vast reserve accumulations in the developing countries. In Q4, total reserves rose 34.6% y/y in the developing world, while growth was only 6.9% y/y in the industrial countries. FX reserves in the developing countries now make up more than three-quarters of the world's total reserves.

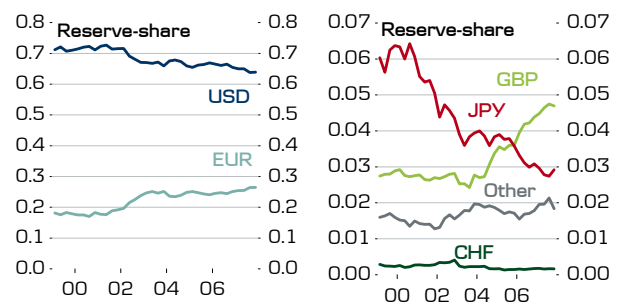
Because of recent years' continuous dollar decline, speculation has intensified as to whether this will cause a reserve diversification out of USD. However, the COFER statistics show that there was no diversification out of USD in Q4. In fact, the dollar share of world reserves rose marginally from 63.8% to 63.9%. Although the dollar share of reserves in the industrial world fell, the increase in the dollar share of reserves in the developing world more than compensated for this.

The reserve share held in JPY also rose in Q4, thereby, (at least temporarily), ending past years' trend of reserve diversification out of JPY. The share of total reserves held in JPY increased from 2.7% to 2.9%. Meanwhile, the reserve share held in other currencies (i.e. currencies other than USD, EUR, JPY, GBP, and CHF) posted a large fall and dropped from 2.1% to 1.8%.

When considering the IMF COFER statistics it is necessary to acknowledge some limitations to the data. Allocated reserves (i.e. FX reserves for which we know the allocation on currencies) only constitute 64% of total reserves, and more importantly 44% of growth in world reserves is driven by the accumulation in unallocated reserves.

To conclude, the Q4 COFER data reveals two very important observations: (i) despite very high growth in sovereign wealth funds, official FX reserves are showing accelerating growth, and (ii) despite a continued dollar depreciation, the USD share of world reserves is not declining.

Has the downward trend in JPY shares come to an end?



Source: IMF

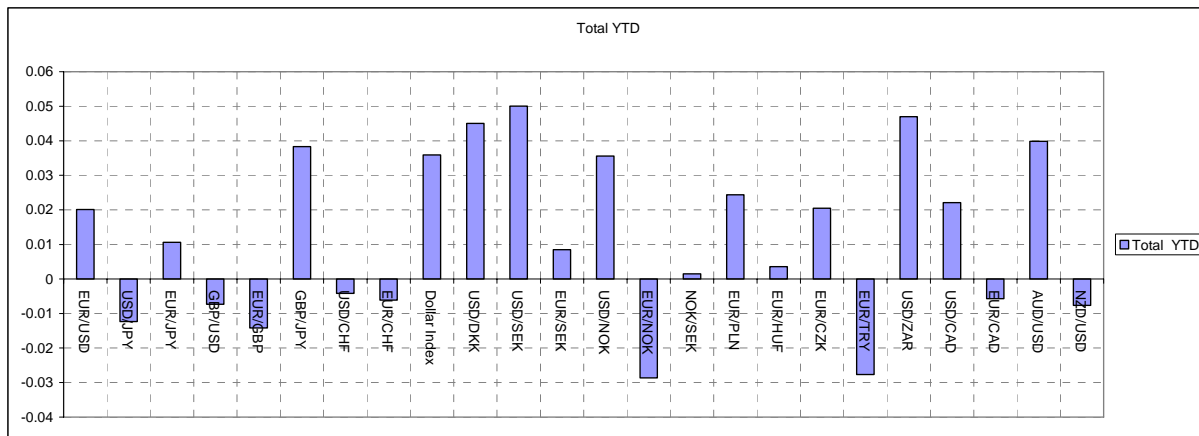
Each quarter, the International Monetary Fund (IMF) releases statistics on world foreign exchange reserves in its publication, Currency Composition of Official Foreign Reserves (COFER). Official FX reserves are the monetary authorities' claims on non-residents in the form of: foreign banknotes, T-bills, etc.

Trading Points

02/04/2008

11:21 (CET)

Strategy (Short-Medium Term)										
MARKET	LAST	Trend	5DCHG	Strategy	Stop/Entry	1st Target	2nd Target	Stop/Reverse	New Target	Total YTD
CURRENCIES - Majors										
EUR/USD	1.5649	↓	-1.25%	SHORT		1.5489		1.5625	1.5771	1.22%
USD/JPY	101.85	↑	2.69%	LONG		103.41		101.02	100.45	-1.23%
EUR/JPY	159.39	↑	1.44%	LONG		160.48		157.37	156.56	1.06%
GBP/USD	1.9837	↓	-1.24%	Go Long>	1.9995	2.0144	Go Short<	1.9721	1.9589	-0.74%
EUR/GBP	0.7888	↑	-0.03%	SHORT		0.7836		0.7905	0.7981	-1.42%
GBP/JPY	202.06	↑	1.46%	LONG		205.64		200.85	199.88	3.83%
USD/CHF	1.0106	↑	2.19%	Go Long>	1.0174	1.0337	Go Short<	0.9931	0.9786	-0.42%
EUR/CHF	1.5814	↑	0.93%	Go Long>	1.5815	1.5853	Go Short<	1.5737	1.5631	-0.61%
Dollar Index	72.343	↑	0.012	LONG		73.198	74.349	71.739	71.288	3.59%
CURRENCIES - Scandies										
USD/DKK	4.7656	↑	1.23%	LONG		4.8577		4.7732	4.7558	4.50%
USD/SEK	5.9949	↑	0.78%	LONG		6.0853		6.0121	5.9790	5.01%
EUR/SEK	9.3819	↓	-0.48%	Go Long>	9.4298	9.4579	Go Short<	9.3627	9.3295	0.84%
USD/NOK	5.1576	↑	1.82%	LONG		5.2432		5.1804	5.1501	3.56%
EUR/NOK	8.0720	↑	0.56%	Go Long>	8.1097	8.1343	Go Short<	8.0281	7.9823	-2.87%
NOK/SEK	1.1623	↓	-1.02%	Go Long>	1.1770	1.1846	Go Short<	1.1579	1.1478	0.14%
CURRENCIES - Non Majors										
EUR/PLN	3.4942	↓	-0.93%	SHORT		3.4801		3.5279	3.5403	2.44%
EUR/HUF	257.82	↑	0.45%	Go Long>	261.50	262.83	Go Short<	257.20	255.38	0.36%
EUR/CZK	25.046	↓	-1.60%	SHORT		24.831		25.272	25.554	2.04%
EUR/TRY	2.0262	↑	0.08%	SHORT		1.9939		2.0425	2.1250	-2.77%
USD/ZAR	7.9290	↓	-1.57%	Go Long>	8.2525	8.3795	Go Short<	7.9515	7.8165	4.70%
USD/CAD	1.0175	↑	-0.03%	Go Long>	1.0325	1.0460	Go Short<	1.0143	0.9945	2.21%
EUR/CAD	1.5924	↑	-1.28%	Go Long>	1.6200	1.6250	Go Short<	1.5902	1.5748	-0.57%
AUD/USD	0.9112	↓	-0.97%	Go Long>	0.9152	0.9276	Go Short<	0.9031	0.8958	3.99%
NZD/USD	0.7877	↓	-2.05%	Go Long>	0.7974	0.8072	Go Short<	0.7783	0.7700	-0.76%



Trading recommendations and G10 central bank overview

Directional trades

	Date	Start	Now	Target	Stop	P/L (incl carry)
Open						
Recently closed						
Buy EUR/GBP	19/03/08	0.78	0.78	0.80	0.775	-0.68
Sell USD/NOK	25/03/08	5.22	5.10	5.1	5.186	2.39
Sell USD/CAD	25/03/08	1.0210	1.021	0.985	1.021	0.01
P/L 2008	2.41%	Open	0.00%	Closed	2.4%	
# of trades *	97	# of trades 2008		12		
- average net gain	0.35%	- average net gain		0.20%		
- batting average	0.51	- batting average		0.42		

* Since 17 November 2005

Central bank overview

Country	Official interest rate	Policy rate	Next decision*	Last change
United States	Federal funds rate	2.25	30 Apr (-50bp)	18 Mar (-75bp)
Euroland	Minimum bid rate	4.00	10 Apr (unch)	6 June 07 (+25bp)
Japan	Overnight call rate	0.50	9 Apr (unch)	21 Feb 07 (+25bp)
United Kingdom	Base rate	5.25	10 Apr (-25bp)	7 Feb (-25bp)
Switzerland	3-month Libor	2.75	19 Jun (unch)	13 Sep 07 (+25bp)
Canada	Overnight rate	3.50	22 Apr (-50bp)	4 Mar (-50bp)
Australia	Cash rate	7.25	6 May (unch)	4 Mar (+25bp)
New Zealand	Cash rate	8.25	23 Apr (unch)	25 Jun 07 (+25bp)
Sweden	Repo rate	4.25	23 Apr (unch)	13 Feb (+25bp)
Norway	Sight deposit rate	5.25	23 Apr (unch)	12 Dec 07 (+25bp)

* Expected decision in brackets

G10 central bank forecast overview

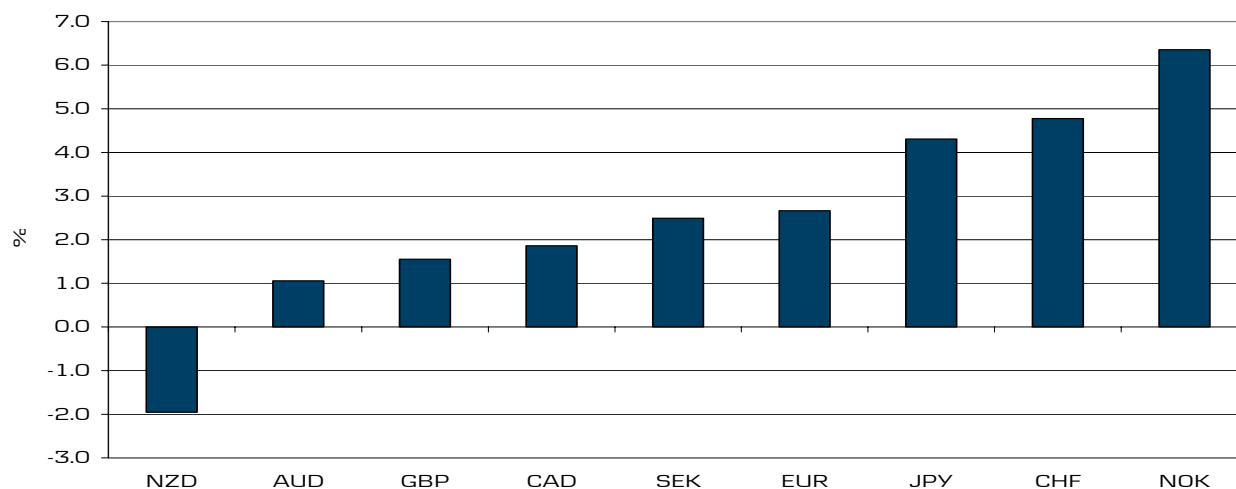
	FED	BOC	ECB	BOE	SNB	RB	NB	BOJ	RBA	RBNZ
Now	2.25	3.50	4.00	5.25	2.75	4.25	5.25	0.50	7.25	8.25
2008 Apr	30-Apr	22-Apr	10-Apr	10-Apr		23-Apr	23-Apr	9 + 30 Apr	01-Apr	24-Apr
May			08-May	08-May			28-May	20-May	06-May	
Jun	25-Jun	10-Jun	05-Jun	05-Jun	19-Jun		25-Jun	13-Jun	03-Jun	05-Jun
Jul		15-Jul	03-Jul	10-Jul		03-Jul			01-Jul	24-Jul
Aug	05-Aug		07-Aug	07-Aug			13-Aug		05-Aug	
Sep	16-Sep	03-Sep	04-Sep	04-Sep	18-Sep		24-Sep		02-Sep	11-Sep
Oct	29-Oct	21-Oct	02-Oct	09-Oct			29-Oct		07-Oct	23-Oct
Nov			06-Nov	06-Nov					04-Nov	
Dec	16-Dec	09-Dec	04-Dec	04-Dec	11-Dec		17-Dec		02-Dec	04-Dec
2009 Jan	28-Jan									
Feb									03-Feb	
Mar									03-Mar	
12M	1.50	2.75	3.25	4.25	2.25	3.75	5.50	0.50	7.25	7.75
Rate cut	Rate hike									

Exchange rate forecasts

	Spot	Forecast				Forecast vs forward outright, %			
		+1m	+3m	+6m	+12m	+1m	+3m	+6m	+12m
Exchange rates vs EUR									
USD	1.568	1.59	1.60	1.58	1.50	1.7	2.7	1.9	-2.4
JPY	156.85	156	155	152	150	-2.0	-1.7	-3.1	-2.5
GBP	0.793	0.795	0.800	0.820	0.780	0.6	1.1	3.4	-2.1
CHF	1.570	1.56	1.54	1.52	1.50	-1.2	-2.2	-3.0	-3.7
DKK	7.46	7.46	7.46	7.46	7.46	0.0	0.0	0.0	0.0
NOK	8.06	7.85	7.80	7.75	7.75	-2.9	-3.7	-4.8	-5.6
SEK	9.39	9.45	9.40	9.35	9.25	0.7	0.1	-0.4	-1.6
PLN	3.49	3.75	3.75	3.80	3.85	7.2	6.9	7.9	8.3
CZK	25.06	25.30	25.50	25.50	25.50	1.0	1.9	2.0	2.0
HUF	258	275	280	285	285	6.4	7.7	8.7	6.3
TRY	2.02	2.20	2.30	2.35	2.35	7.6	10.7	10.2	4.0
Exchange rates vs USD									
DXY	71.9	70.8	70.3	71.2	73.2	-1.7	-2.7	-1.7	0.7
JPY	100.0	98	97	96	100	-3.6	-4.3	-4.9	-0.2
GBP	1.98	2.00	2.00	1.93	1.92	1.1	1.6	-1.4	-0.4
CHF	1.00	0.98	0.96	0.96	1.00	-2.9	-4.8	-4.9	-1.3
DKK	4.76	4.69	4.66	4.72	4.97	-1.6	-2.6	-1.9	2.5
NOK	5.14	4.94	4.88	4.91	5.17	-4.6	-6.4	-6.7	-3.4
SEK	5.99	5.94	5.88	5.92	6.17	-1.0	-2.5	-2.3	0.8
CAD	1.03	1.01	1.00	1.02	1.02	-0.8	-1.9	-0.1	-0.5
AUD	0.91	0.92	0.91	0.88	0.85	1.3	1.1	-0.9	-1.9
NZD	0.78	0.78	0.76	0.74	0.72	-0.5	-2.0	-3.0	-2.7
ZAR	7.93	9.50	9.75	10.00	10.00	19.1	20.6	21.5	16.7
BRL	1.75	1.70	1.72	1.80	1.80	-3.3	-3.3	-0.9	-5.6
MXN	10.56	10.75	10.80	10.90	11.00	1.3	1.1	0.8	-0.4
CNY	7.02	6.99	6.92	6.77	6.60	0.6	1.6	2.3	4.3

Note: GBP, AUD and NZD are denominated in local currency rather than USD

Expected change in USD vs forwards, 3m



Head of FX Research

Teis Knuthsen	G10	+45 45 12 84 95	tekn@danskebank.dk
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FX Research

John Hydeskov	GBP, NOK, SEK	+45 45 12 84 97	johy@danskebank.dk
Kasper Kirkegaard	G10	+45 45 13 70 18	kaki@danskebank.dk
Stefan Mellin	SEK	+46 8 568 805 92	mell@danskebank.se
Thomas Andersen	Hedging strategies	+45 45 12 84 96	tpa@danskebank.dk
Klaus Ikast	Technical analysis	+45 45 12 84 99	kik@danskebank.dk
Kim Cramer Larsson	Technical analysis	+45 45 12 85 01	kimn@danskebank.dk

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