



Forex Market Update

- The greenback traded mostly higher in the New York session against the key currencies.
- In the US, manufacturing index climbed to 56.3 in August. Construction spending fell 1.0% (MoM) in July. ADP reported that the private sector employment dropped by 10,000 jobs in August, from a downwardly revised rise of 37,000 jobs in July. For the week ended 27 August 2010, the refinancing index rose 2.8%, while the Mortgage Bankers Association's weekly market composite index rose 2.7%.
- Data from the Eurozone and the UK was not encouraging, with retail sales dropping in Germany and manufacturing PMI easing in Germany and the UK.
- Dallas Federal Reserve Bank President, Richard Fisher, stated that he would be reluctant to support an expansion of the Fed's balance sheet unless the federal fiscal and regulatory policies are made friendlier to economic growth and job creation. He further indicated that additional quantitative easing by the Fed might amount to nothing more than 'pushing on a string' if the government policies do not lead to job creation.
- In China, the official purchasing managers' index climbed to 51.7 in August, compared to 51.2 in the previous month.
- Australia's economy climbed faster-than-expected at 1.2% in the second quarter, reviving the risk of a further rise in interest rates.
- In the Asian session, the greenback is trading higher against most of the key currencies.

Currencies

	Current*	Last Close	1D % Chg	1W % Chg	1M % Chg	1Y % Chg
EUR/USD	1.2789	1.2795	↑	1.0%	1.0%	-2.9%
GBP/USD	1.5432	1.5443	↑	0.7%	-0.2%	-4.2%
USD/JPY	84.17	84.51	↑	0.5%	-0.3%	-8.8%
EUR/CHF	1.3017	1.3006	↑	1.1%	-0.3%	-14.2%
USD/CHF	1.0178	1.0163	↑	0.1%	-1.3%	-4.7%
EUR/GBP	0.8285	0.8282	↑	0.3%	1.2%	-6.0%
GBP/JPY	129.92	130.50	↑	1.1%	-0.5%	-12.7%
USD/CAD	1.0543	1.0512	↓	-1.2%	-0.8%	2.8%
AUD/USD	0.9064	0.9082	↑	1.0%	2.6%	-0.4%
NZD/USD	0.7125	0.7101	↑	1.6%	1.3%	-3.1%

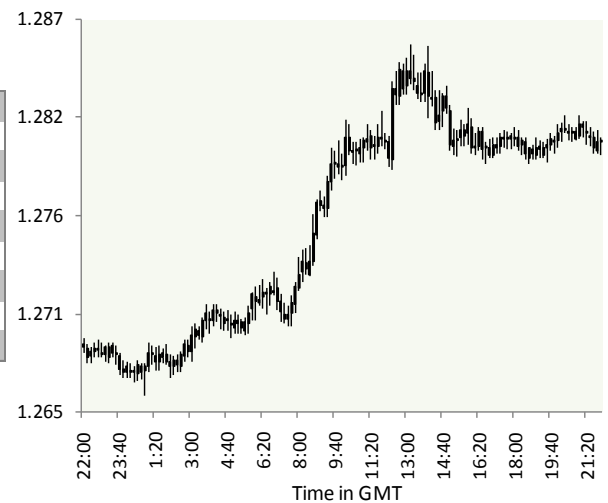
*Time: 03:00:00 GMT

For 1W, 1M and 1Y change, time is 00:00:00 GMT

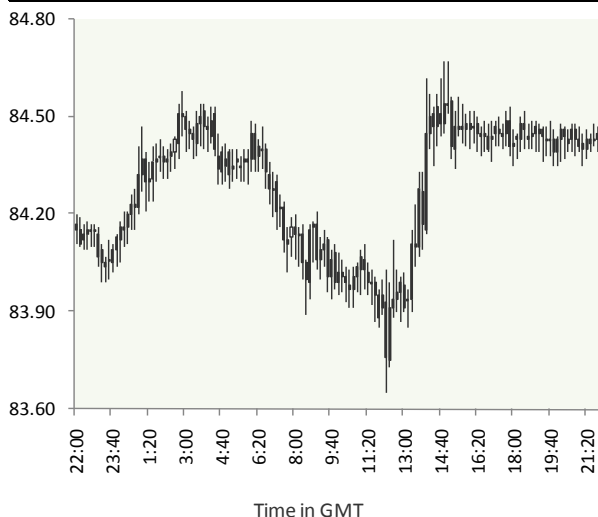
EUR/USD

- EUR fell against the USD in the New York session, and closed the session 0.24% lower, at 1.2802, after the release of downbeat economic data from Eurozone and Germany.
- In economic news, retail sales in Germany fell 0.3% (MoM) in July. Additionally, the manufacturing purchasing managers index (PMI) in Germany eased to 58.2 in August, from 61.2 in July, while the manufacturing PMI in Eurozone declined to a six-month low of 55.1 in August, from 56.7 in July.
- The pair traded at a high of 1.2856 and a low of 1.2789 in the New York session. In the Asian session, at GMT0300, the pair is trading at 1.2789, with the EUR trading 0.10% lower from the New York close.
- The pair is expected to find support at 1.2689, and a fall through could take it to the next support level of 1.2575. The pair is expected to find its first resistance at 1.2886, and a rise through could take it to the next resistance level of 1.2969.

Last 24 hours	
R3	1.3166
R2	1.2969
R1	1.2886
PP	1.2772
S1	1.2689
S2	1.2575
S3	1.2378
As at 22:00:00 GMT	



USD/JPY



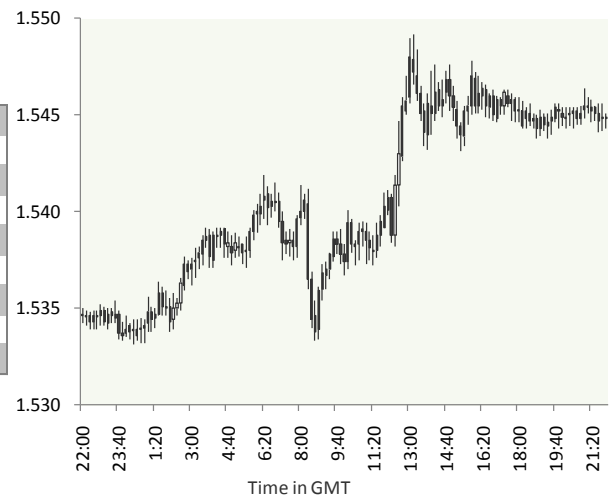
Last 24 hours	
R3	86.27
R2	85.25
R1	84.82
PP	84.23
S1	83.80
S2	83.21
S3	82.19
As at 22:00:00 GMT	

- USD traded 0.48% higher against the JPY in the New York session, with the pair closing the session at 84.38, following encouraging manufacturing data in the US. There were no key economic releases in Japan yesterday.
- The pair traded at a high of 84.67 and a low of 83.85 in the New York session. In the Asian session, at GMT0300, the pair is trading at 84.17, with the USD trading 0.25% lower against the JPY, from the New York close.
- The pair is expected to find support at 83.80 and a fall through could take it to the next support level of 83.21. The pair is expected to find its first resistance at 84.82, and a rise through could take it to the next resistance level of 85.25.

GBP/USD

- GBP fell against the USD in the New York session, closing 0.07% lower at 1.5448, following a report showing UK manufacturing growth eased in July.
- On a seasonally adjusted basis, manufacturing PMI in the UK fell to 54.3 in August, the lowest level in nine months and compared to 56.9 in July.
- The pair traded at a high of 1.5492 and a low of 1.5431 in the New York session. In the Asian session, at GMT0300, the pair is trading at 1.5432, with the USD trading higher by 0.10% from the New York close.
- The pair is expected to find support at 1.5355, and a fall through could take it to the next support level of 1.5263. The pair is expected to find its first resistance at 1.5516, and a rise through could take it to the next resistance level of 1.5585.

Last 24 hours	
R3	1.5746
R2	1.5585
R1	1.5516
PP	1.5424
S1	1.5355
S2	1.5263
S3	1.5102
As at 22:00:00 GMT	



EUR/CHF



Last 24 hours	
R3	1.3329
R2	1.3149
R1	1.3075
PP	1.2969
S1	1.2895
S2	1.2789
S3	1.2609
As at 22:00:00 GMT	

- EUR traded 0.52% higher against the CHF in the New York session and closed the session at 1.3002.
- In Switzerland, SVME purchasing managers index slipped to 61.4 in August, compared to 66.9 in the previous month.
- The pair traded at a high of 1.3042 and a low of 1.2929 in the New York session. In the Asian session, at GMT0300, the pair is trading at 1.3017, with the CHF trading lower by 0.12% against the EUR from the New York close.
- The pair is expected to find support at 1.2895, and a fall through could take it to the next support level of 1.2789. The pair is expected to find its first resistance at 1.3075, and a rise through could take it to the next resistance level of 1.3149.

PP— Pivot Point ; R—Resistance Level ; S—Support Level ; M—Mid Point

Economic Calendar

Country	GMT	Economic Indicator	Consensus	Previous	Frequency
Norway	3:00	Norges Bank Governor Gjedrem Gives a Speech at the "Government Intervention and Moral Hazard in the Financial Sector" Research Conference	-	-	-
France	5:30	Unemployment Rate (Mainland) (Q2)	9.60%	9.50%	Quarterly
France	5:30	Total Unemployment (change) (Q2)	-	4.00 K	Quarterly
France	5:30	Unemployment Rate (Q2)	10.00%	9.90%	Quarterly
Switzerland	5:45	Gross Domestic Product s.a. (QoQ) (Q2)	0.80%	0.40%	Quarterly
UK	8:30	PMI Construction (Aug)	53.90	54.10	Monthly
Eurozone	9:00	Gross Domestic Product s.a. Prelim (QoQ) (Q2)	1.00%	1.00%	Quarterly
Eurozone	9:00	Household Consumption, Prelim (QoQ) (Q2)	-	-0.10%	Quarterly
Eurozone	9:00	Producer Price Index (MoM) (Jul)	0.30%	0.30%	Monthly
Sweden	9:30	Riksbank Repo Rate Published with the September Monetary Policy Update Report.	-	-	-
Sweden	11:00	Governor Ingves and MPC Head Jansson Participate in a Press Conference about the Repo Rate Decision	-	-	-
Eurozone	11:45	ECB Interest Rate Decision	1.00%	1.00%	-
UK	12:00	BoE Executive Director for Financial Stability Haldane speaks at the Oxford China Business Forum	-	-	-
US	12:30	Initial Jobless Claims (W/E)	478.00 K	473.00 K	Weekly
US	12:30	Continuing Jobless Claims (W/E)	4400.00 K	4456.00 K	Weekly
US	12:30	Nonfarm Productivity (QoQ) (Q2)	-2.00%	-0.90%	Quarterly
US	12:30	Unit Labor Costs (QoQ) (Q2)	1.40%	0.20%	Quarterly
US	13:00	Federal Reserve Bank of Boston President Rosengren and Federal Reserve Bank of Cleveland President Pianal Participate in "Reserve Bank President Perspective" Discussion before the Federal Reserve REO	-	-	-
US	14:00	Factory Orders (MoM) (Jul)	0.50%	-1.20%	Monthly
US	14:00	Pending Home Sales (MoM) (Jul)	-1.50%	-2.60%	Monthly
France	16:00	ILO Unemployment (Aug)	-	-	Monthly
Japan	23:50	Capital Spending (YoY) (Q2)	-6.50%	-11.50%	Quarterly
Eurozone	-	EU Climate Commissioner Hedegaard speaks on Climate Finance in Switzerland	-	-	-
Eurozone	-	ECB Press Conference Following Interest Rate Announcement	-	-	-
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Commodities

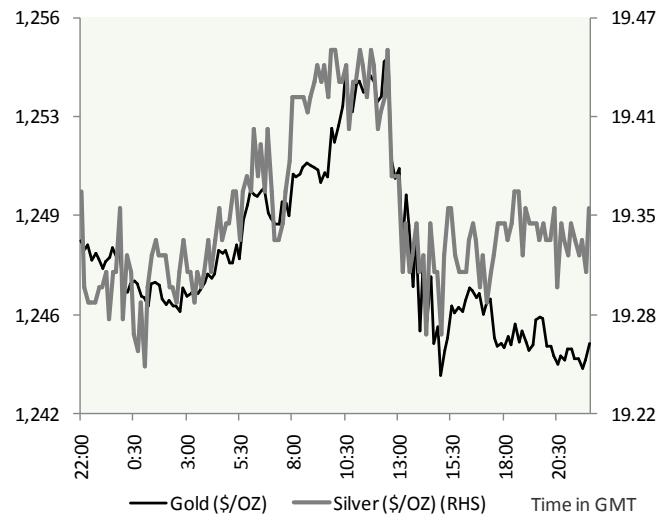
	Current Price		1D (%) Chg	1W (%) Chg	1M (%) Chg	1Y (%) Chg
Brent (\$ / barrel) ¹	76.0	↑	2.0%	3.9%	-5.5%	5.5%
WTI (\$ / barrel) ¹	73.7	↑	3.0%	1.6%	-9.2%	8.6%
Gold (\$ / Oz) ¹	1245.9	↓	-0.2%	0.5%	5.3%	30.2%
Silver (\$ / Oz) ¹	19.3	↑	0.1%	2.4%	5.4%	28.6%
Aluminium (\$ / MT) ²	2058.8	↑	0.7%	2.1%	-5.7%	12.5%
Copper (\$ / MT) ²	7540.3	↑	2.5%	6.7%	2.8%	20.8%
Zinc (\$ / MT) ²	2088.8	↑	2.1%	7.6%	4.4%	14.8%
Nickel (\$ / MT) ²	21042.5	↑	1.6%	4.5%	-1.8%	13.6%

¹ Price as at 03:00:00 GMT

² Price as of LME close

Gold

- Gold prices fell against the USD in the New York session, and closed the session lower by 0.48%, at USD1244.50 per ounce, amid a stronger dollar.
- Gold traded at a high of USD1251.50 per ounce and a low of USD1242.10 per ounce in the New York session.
- In the Asian session, at GMT0300, the yellow metal is trading at USD1245.90, 0.11% higher from the New York close.
- Gold is expected to find support at USD1239.48 per ounce, and a fall through could take it to the next support level of USD1234.47 per ounce. Gold is expected to find its first resistance at USD1252.13 per ounce, and a rise through could take it to the next resistance level of USD1259.77 per ounce.



Oil (\$/bbl)



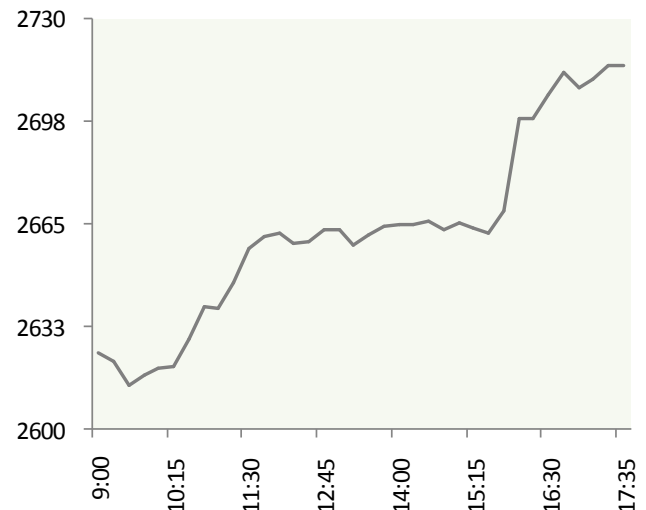
- Oil prices advanced in the New York session by 1.57% to close the session at USD73.88 per barrel, as strong manufacturing data from the leading energy consumers, China and the US overshadowed the report that showed US crude oil stocks rose more than expected last week.
- The Energy Information Administration reported that US commercial crude inventories rose by 3.4 million barrels to 361.70 million barrels in the week ended August 27. Gasoline stocks fell about 200,000 barrels, while inventories of distillates, which include heating oil, fell more than 700,000 barrels.
- Oil traded at a high of USD74.47 per barrel and a low of USD72.73 per barrel in the New York session. At GMT0300, Oil is trading at USD73.71 per barrel in the Asian session 0.23% lower from the New York close.
- Oil is expected to find support at USD72.21 per barrel, and a fall through could take it to the next support level of USD70.54 per barrel. Oil is expected to find its first resistance at USD75.01 per barrel, and a rise through could take it to the next resistance level of USD76.14 per barrel.

Global Indices

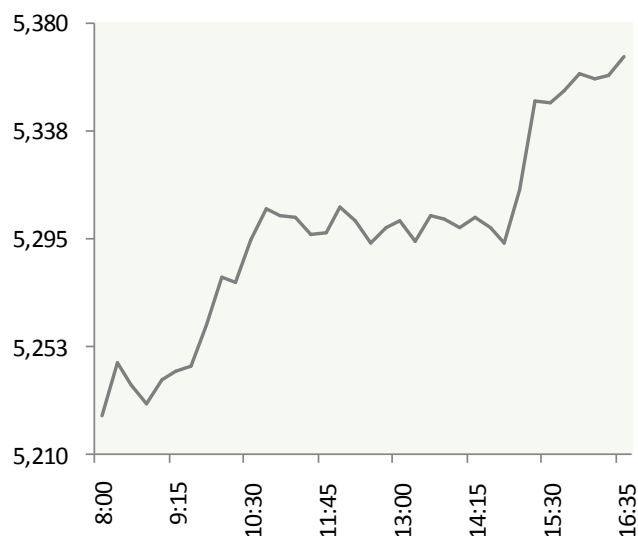
	Last Close		1D% Chg	1W% Chg	1M% Chg	1Y% Chg
FTSE 100	5,366.4	↑	2.7%	5.0%	-0.6%	11.3%
DJSTOXX 50	2,513.7	↑	2.6%	4.0%	-1.2%	6.8%
FTSE Eurofirst 300	1,055.7	↑	2.9%	4.4%	-1.4%	10.6%
German DAX 30	6,083.9	↑	2.7%	3.1%	-3.3%	14.2%
France Cac 40	3,623.8	↑	3.8%	5.0%	-3.4%	1.1%
Russia RTS Index	1,450.0	↑	2.0%	4.6%	-4.8%	35.1%
Dow Jones Industrials	10,269.5	↑	2.5%	2.1%	-3.8%	10.3%
Nasdaq Composite	2,176.8	↑	3.0%	1.6%	-5.2%	10.6%
Nikkei 225*	9,035.7	↑	1.2%	0.9%	-6.7%	-15.2%
Shanghai Composite*	2,647.6	↑	0.9%	1.0%	-1.9%	-2.3%
Sensex*	18,296.2	↑	0.5%	0.1%	0.7%	17.1%
*Time - GMT	4:13:50 AM					

Euro Stoxx 50

- Euro Stoxx50 finished higher yesterday, with all its components recording substantial gains, on the back of strong manufacturing data from the US and China.
- BNP Paribas, Societe Generale, Banco Santander and Credit Agricole gained 5.9%, 5.7%, 4.8% and 4.6%, respectively. Insurers, AXA, Aegon, ING and Allianz, added between 3.3% and 5.7%.
- Consumer oriented stocks, L'Oreal, LVMH and Philips, advanced 2.8%, 4.4% and 5.2%, respectively. Chemicals major, Bayer continued its rally and rose 3.4%, on the back of trial results for a thrombosis drug.
- Industrial stocks, Siemens, Alstom and Schneider Electric, added 2.9%, 3.8% and 4.5%, respectively.
- Media and communications major, Vivendi SA surged 5.0%, after the group stated that its full-year earnings outlook has improved and as its adjusted second-quarter earnings beat forecasts.
- Daimler AG climbed 5.5%, after a broker raised its recommendation on the stock to 'Neutral' from 'Sell'.
- Euro Stoxx50 gained 3.5% to 2,715.3. FTSEurofirst 300 ticked-up 2.9% to close at 1,055.7. German DAX Xetra 30 added 2.7% to close at 6,083.9. French CAC-40 was up 3.8% to 3,623.8.



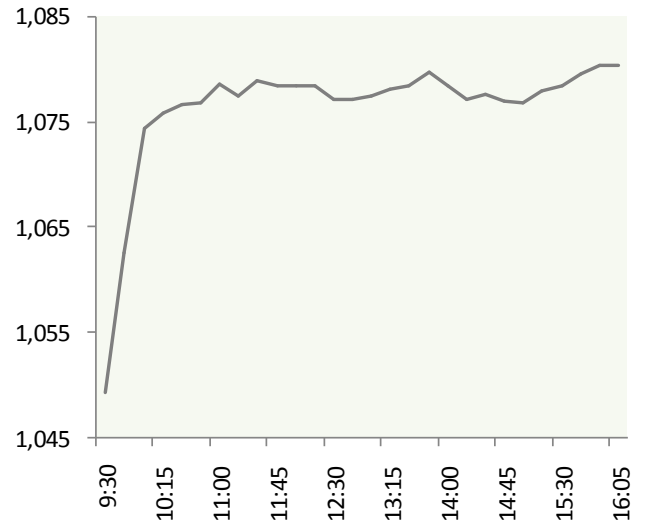
FTSE 100



- All, but one of the FTSE 100 constituents gained, as takeover speculation assisted the FTSE 100 index to record its sharpest gain since early July.
- Cable & Wireless Worldwide rose 7.7%, amid speculation of a possible takeover bid from its US peer, AT&T.
- TUI Travel soared 7.5%, after reports that its majority shareholder, TUI AG, was considering buying shares in the company it does not already own.
- InterContinental Hotels Group gained 6.2%, after a broker upgraded the stock to 'Overweight' from 'Equal-weight'. Land Securities climbed 4.8%, after a broker raised its rating on the stock to 'Overweight' from 'Neutral'.
- Miners, Kazakhmys, Rio Tinto, Xstrata, Antofagasta and Anglo American, gained between 5.0% and 6.9%, as base metal prices edged higher.
- Inmarsat advanced 4.7%, on the back of a report that Texas Pacific was weighing a potential offer for the satellite operator at up to 850p per share.
- Randgold Resources slipped 1.2%, and was the only loser on the index, as gold prices retreated.
- FTSE 100 rose 2.7% to settle at 5,366.4. FTSE 250 added 2.4% to close at 10,060.9.

S&P 500

- S&P 500 finished sharply higher yesterday, as investors were cheered by a rebound in manufacturing activity in China and US, reigniting hopes of a continued economic recovery.
- Office products retail chain, Office Depot jumped 9.4% and was top gainer on the index.
- Industrial stocks, Caterpillar, 3M, Boeing and General Electric, gained between 1.9% and 4.6%, after ISM reported that its index of US manufacturing activity rose to 56.3 in August from 55.5 in July. Chevron and Exxon Mobil advanced 3.6% and 3.1%, respectively, tracking the movement in crude oil prices.
- Apple rose 3.0%, after it unveiled new versions of its iPods and announced changes to its TV set-top box and iTunes software. Its peers, Google rose 2.3% and Microsoft added 1.8%.
- Bank of America, Fifth Third Bancorp and JP Morgan Chase soared 6.1%, 5.5% and 3.7%, respectively.
- Amazon.com rallied 6.1%, amid news that the company is planning to start an online video-subscription service.
- S&P 500 surged 3.0% to 1,080.30. DJIA advanced 2.5% to settle at 10,269.5. NASDAQ climbed 3.0% to close at 2,176.8.



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