

U.S. Dollar Likely to Recover During Fourth Quarter According to FOREX.com

Foreign Exchange and Commodity Markets Analysis Presented in Quarterly Markets Outlook

NEW YORK and LONDON, Oct. 6 /PRNewswire/ -- FOREX.com, a division of GAIN Capital Group, LLC, in its quarterly currency and commodity markets forecast, predicts that the U.S. dollar is more likely to recover than to continue weakening through the fourth quarter.

According to Brian Dolan, chief currency strategist, FOREX.com, the U.S. dollar has weakened to "politically sensitive levels and that further weakness poses a systemic threat to the global recovery, hence is unlikely to happen."

"A sharply weaker dollar has the potential to send commodity prices soaring, which would undermine personal consumption -- key to the global rebound," states the report, suggesting a rapid dollar decline will likely be met by concerted market intervention by G-20 governments eager to stabilize global markets. The report also points to recent intensifying rhetoric from central banks and finance ministries around the world in opposition to their own currencies' strength and in support of the U.S. dollar.

Other year-end predictions from the report include:

- USD will rise against the euro, sending the EUR/USD rate down to 1.37/1.38
- USD will also rise against the yen, with a target of 96/98 USD/JPY
- Strong potential exists for a correction in the "risk rally" referring to the sharp recent gains in global stocks and commodities
- Gold prices will be setback, oil prices to decline, with WTI crude oil at \$55/barrel
- Norwegian and Australian central banks will raise rates, though other major central banks will be unlikely to make any interest rate changes

The FOREX.com research team also highlights expected ranges for key pairs and trading strategies for the fourth quarter.

"FOREX.com Markets Outlook" provides commentary and market forecasts with its view of the direction of the world's major currencies as well as key commodities including gold, silver and oil. In addition to Brian Dolan, the report was prepared by UK Research Director Jane Foley and Currency Strategist Jacob Oubina.

To view the full FOREX.com Fourth Quarter Markets Outlook report visit www.forex.com.

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