

Metals Poised for Further Gain in Fourth Quarter Despite a Sluggish Global Recovery, According to FOREX.com Analysts

NEW YORK and LONDON, Sept. 22 /PRNewswire/ -- After a brief pause in the third quarter, precious metals gathered momentum as major currencies struggled and commodity currencies took the lead in a sluggish economy, according to an outlook presented by FOREX.com, a division of GAIN Capital, during its 4Q 2010 Markets Outlook webcast.

"If our view plays out that the major economies will see new bouts of weakness, we would expect overall risk sentiment to remain cautious, and this should restrain stock and commodity prices broadly. In particular, the seasonality patterns in metals suggest a correction lower before bouncing back to new record highs," said Brian Dolan, FOREX.com's chief currency strategist.

Mr. Dolan continued, "Overall, the global recovery will continue, but it will remain uneven and subject to continued high levels of uncertainty. While we expect the major economies – U.S., Eurozone, U.K., and Japan – to slow further into the end of the year, we don't expect any of them to fall back into recession. But depending on the severity of the expected slowdown, that risk may become more intense in 2011."

Other highlights from the FOREX.com 4Q 2010 Markets Outlook include:

- Gold prices may see some pull-back on profit-taking, but gains are likely to resume into the end of the year as major currencies are expected to stay weak.
- Expectations that the Fed and the BOE may initiate additional asset purchases, also known as quantitative easing, or QE2, may see those currencies come under more extreme pressure.
- Eurozone sovereign debt concerns remain elevated as the third quarter draws to a close.
- The U.S. congressional mid-term elections loom large - current polls suggest the Republican party has a decent chance of taking control of both houses of Congress, but we think the Democrats may yet hold on to the Senate, potentially leading to split control.

The FOREX.com research team highlights potential technical levels for key pairs, such as EUR/USD, GBP/USD, USD/JPY, USD/CAD, and AUD/USD. Key cross-currency pairs like EUR/JPY and EUR/GBP are also covered.

The 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.

The full FOREX.com 4Q 2010 Markets Outlook Report is now available on the company's websites at www.forex.com and www.gaincapital.com.

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A pioneer in online forex trading, GAIN Capital operates FOREX.com, one of the largest and best-known brands in the retail forex industry. It also provides execution, clearing, custody and technology products and services to an institutional client base including asset managers, broker/dealers and other financial services firms.

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