Press Releases

Traders Bracing for Worst in 4Q 2011 According to FOREX.com Markets Outlook

High Unemployment, Consumer/Business Deleveraging, Fiscal Austerity and Weak Housing Markets Remain Major Drags

NEW YORK and LONDON, Oct. 10, 2011 /PRNewswire/ -- According to a fourth quarter outlook presented by FOREX.com analysts, expectations are that further deterioration in the major economies' growth prospects, with increasing spill-over into emerging economies, will potentially raise the risk of a global recession.

FOREX.com, the retail division of GAIN Capital (NYSE: GCAP), a global provider of online trading services, is predicting a grim outlook for the fourth quarter as governments in most major economies continue to pursue severe measures even as consumer sentiment gauges point to further cutbacks in private consumption.

"While we are always cautious about expressing too extreme a degree of pessimism, we don't see a lot on the fundamental horizon to encourage much optimism," said Brian Dolan, chief currency strategist, FOREX.com. "The key fundamental drivers — entrenched high unemployment, consumer/business deleveraging, fiscal austerity, and weak housing markets — are all long-term sources of weakness and we don't expect to see any material improvements in those areas any time soon." The FOREX.com team expects the USD to strengthen in a flight to safety as investors dump EUR, GBP and other major currencies on risk aversion as the global outlook deteriorates.

Other expectations from the FOREX.com 4Q 2011 Markets Outlook include:

- Europe's core economies slowing further even as EU policymakers struggle to reach agreement to increase the firepower of the European Financial Stability Facility (EFSF) and stem the debt crisis.
- In the U.S., political drama over the jobs bill playing out in late October with a likely watered-down package of mainly tax cuts agreed by early November.
- Continuing weakness in key commodity-linked currencies such as AUD, CAD and NZD, along with various emerging market currencies including ZAR. MEX, HUF, and SGD, during bouts of extreme risk aversion.
- The Bank of England keeping interest rates on hold this quarter but likely to announce more QE.
- Weaker global growth outlooks suggesting commodity demand softening more, likely seeing further downside in crude oil prices
- Precious metals experiencing further weakening, as demand for silver falls on weaker industrial outlooks and risk aversion sends gold investors fleeing into cash (USD).

The FOREX.com research team also highlights potential price ranges for key pairs, such as EUR/USD, GBP/USD, USD/JPY, USD/CHF, 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 and other key financial markets. The report is prepared by Mr. Dolan, Research Director Kathleen Brooks and Senior Technical Strategists Daniel Hwang, Chris Tevere, CMT and Eric Viloria, CMT.

The full FOREX.com 4Q 2011 Markets Outlook Report is now available atwww.forex.com under "Research & Ideas."

Forex and spot metals trading involve significant risk of loss and is not suitable for all investors. Contracts for Difference (CFDs) are not available to US residents.

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GAIN Capital Holdings, Inc. (NYSE: GCAP) is a global provider of online trading services. GAIN's innovative trading technology provides market access and highly automated trade execution services across multiple asset classes, including foreign exchange (forex or FX), contracts for difference (CFDs) and exchange-based products, to a diverse client base of retail and institutional investors.

A pioneer in online forex trading, GAIN Capital operates FOREX.com®, one of the largest and best-known brands in the retail forex industry. GAIN's other businesses include GAIN GTX, a fully independent FX ECN for hedge funds and institutions, and GAIN Securities, Inc. (member FINRA/SIPC) a licensed U.S. broker-dealer.

GAIN Capital and its affiliates have offices in New York City; Bedminster, New Jersey; London; Sydney; Hong Kong; Tokyo;

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