

ChartWorks

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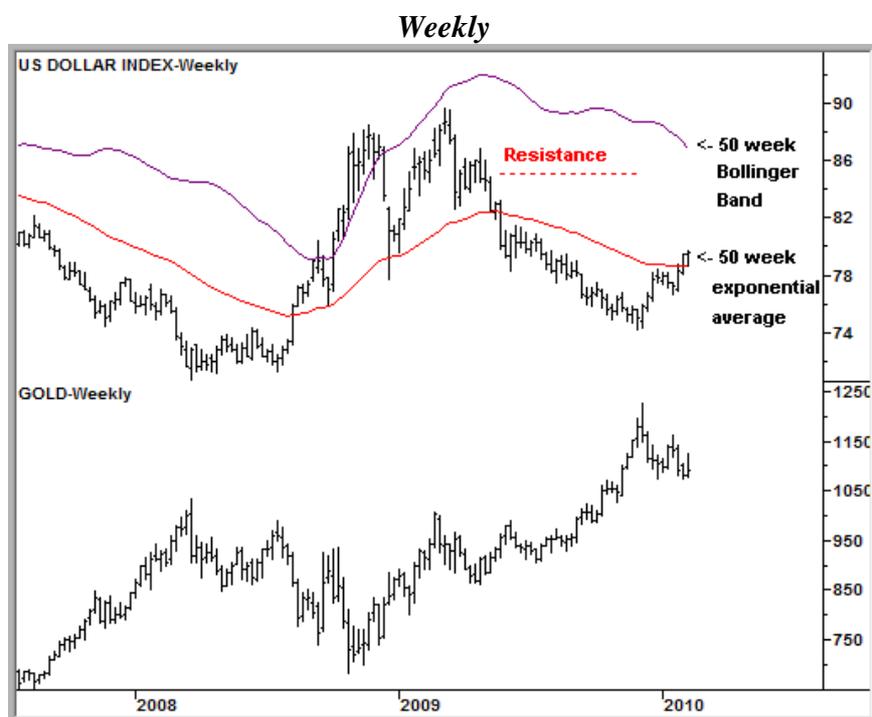
February 4, 2010

Technical observations of RossClark@shaw.ca

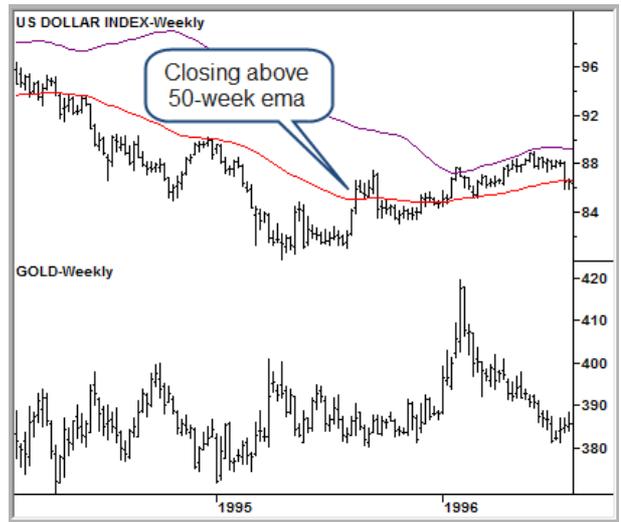
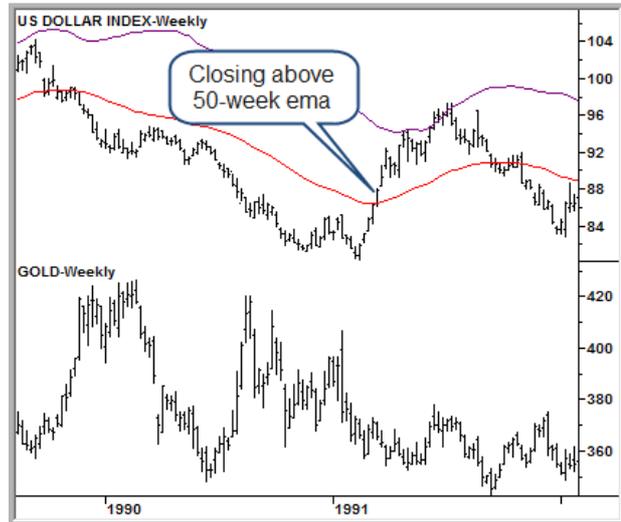
US Dollar Index

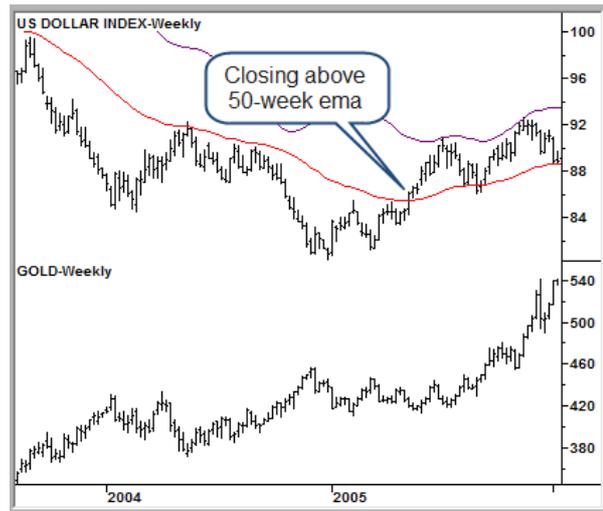
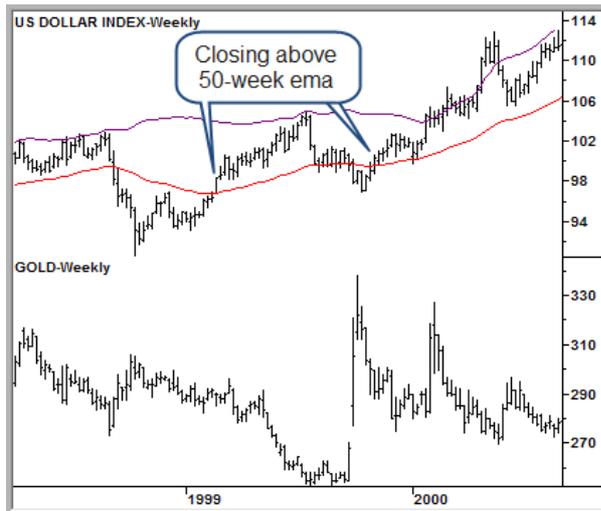
The US Dollar closed decisively above its 50-week exponential moving average on January 29th and is seeing follow-through action this week. In all, but one instance since the 1980's the ensuing rally has managed to test the upper 50-week Bollinger Band within two months. Support should be evident at 78.00.

- The catalyst behind the jump to new highs for the DX has been further deterioration in sovereign debt--particularly for Greece, Spain and Portugal.
- Yesterday Moody's made a comment on the developing threat to America's credit rating. As the White House continues to remind, all of the political and economic culture is to be changed to a radical experiment in fascism. This is bound to show up in U.S. credit ratings.
- Last week's surge in the gold/silver ratio through 65 signaled the resumption of credit concerns.
- Yesterday's ChartWorks focused on the nominal price of gold, without any consideration of changes in the dollar. There is a probability that in a period of financial distress gold could be firm in dollar terms as the DX is firming.



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