

FOREX.com Analysts Predict Choppy Seas Ahead for Traders in Second Quarter 2010

Foreign Exchange and Commodity Markets Analysis Presented in Quarterly Markets Outlook

NEW YORK and LONDON, March 16 [PRNewswire](#)/ -- In its quarterly currency and commodity markets forecast, FOREX.com, a division of GAIN Capital Group, LLC, believes the U.S. economy will continue to improve and outpace the eurozone, U.K. and Japanese recoveries. The FOREX.com analysts also see China's efforts to restrain its economy as a major risk to the global recovery.

FOREX.com Chief Currency Strategist Brian Dolan believes that the global recovery will mostly support investor risk appetite, but that credit risks in the eurozone and the U.K. may lead to economic under-performance there, likely causing repeated setbacks in stocks, commodities and carry trades. As a result, the analysts expect short-term trading strategies to bear the most fruit in the second quarter.

"We're seeing credit concerns shifting from the government level to the private financial sector, especially to banks in the U.K. and Europe, further impeding the European recovery," stated Mr. Dolan in the report. "We expect the U.S. recovery to outpace other industrialized economies, likely lending the dollar support and keeping pressure on the euro, the pound and the yen."

Other highlights from the FOREX.com Markets Outlook include:

- The current emerging markets and commodities rally may stall and the threat of a double dip recession may rise, if the G7 outlook deteriorates
- Central banks' withdrawal of extraordinary liquidity provisions (exit strategies) could increase bank borrowing costs and expose unforeseen weaknesses in the financial sector, especially in the U.K. and Europe
- U.S. and China will contribute about half of the overall 2010 global economic expansion
- U.K. credit rating downgrade is a possibility especially with the looming threat of a hung parliament

The FOREX.com research team also highlights expected ranges for other 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, as well as precious metals and oil.

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 Second Quarter Markets Outlook report visit: www.forex.com/2q2010report.

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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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