



Key News

- **Chinese industrial output surged in November** to its fastest pace since June 2007: output rose 19.2 percent from a year earlier, beating economists' expectations of an 18.0 percent rise. (Reuters)
- [India's factory output rose 10.3 percent in October](#). (AP)
- [The top sovereign credit ratings of Britain and the United States are not under threat](#) of a downgrade right now, but a worst case scenario foresees a cut by 2013, analysts from Moody's Investors Service said on Friday. (Reuters)

Quotable – In the world maybe be flat, but your Socialist brain is concave category....

From *New York Times* columnist Thomas Friedman (a partial excerpt from the entry), complaining Sept. 9 about the difficulty of passing health-care and cap-and-trade bills, yearning for "one-party autocracy" -- which "certainly has its drawbacks. But when it is led by a reasonably enlightened group of people, as China is today, it can also have great advantages. That one-party can just impose the politically difficult but critically important policies needed to move a society forward in the 21st Century."

[Editor Note: It worked so well in Russia and China that they only ended killing about 100 million, conservatively, of their own people. And this tripe passes for the thinking of the "enlightened elite"? Truly sad indeed, and yet another example of why the ends justify the means for socialists of all stripes. Scary!]

FX Trading – Growth and inflation? Key to our 10 reasons the dollar has bottomed

Today's US price data a bit hotter than expected this morning. China boom numbers out last night. And guess what, the dollar likes what it sees. Is a growth surprise in the air? It would change the dynamics for the dollar and is a key part of any story that suggests the dollar has bottomed. Did I say bottomed? Well, yes I did, thanks for asking....

Here are our 10-reasons why the buck has bottomed...try to read these with a straight face. ☺ If you can't, then maybe we are on to something.

1. **Credit Crunch Sea Change**
 - US Savings going up; debt sentiment changed
2. **Risk Bid Trigger Again...initially**
 - Greece and Dubai
3. **Growth** – Not as bad as expected; it's all *relative*
 - Non-farm payroll and Mr. US Consumer
4. **Carry trade idea history**
 - Fed hikes before BOJ and before ECB
5. **US Assets are very cheap**

- Foreign Direct Investment Flow (currency cycles play that role)
- 6. **Sentiment** – Newsletter writers are in apoplectic territory
 - Everyone hates it and one-way bet
- 7. **Correlation** – it has changed
 - No new low with gold blow off and stock high
- 8. **Technical**
 - Broke its weekly down trend & extremely oversold
- 9. **Euro craters as a currency**
 - Rush to dollar-the world reserve currency punctuated
- 10. **Bill Gross isn't always right**; neither is Jim Rogers*

*Note: Late yesterday, David Newman told me to flip on CNBC—Jim Rogers was pontificating. So, I tuned in to listen to another slamming of the buck, more profusion of love for China. Well, I got the China love, but surprise, surprise, surprise, Jim said the dollar can actually go up for a while. Shocked? Indeed. So, maybe Jim is right all the time.

Have a great weekend.

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Interview with a “Maniac” commodities trader this month...

Our special “trader” interview section of *Currency Investor* this month will come from our friend Kevin Kerr. He is the proprietor of *Kerr Commodities Watch*. Kevin is a frequent guest on every business show imaginable sharing his excellent views on all things commodities. We are looking forward to hearing Kevin’s insights.

Our monthly [Currency Investor](#) newsletter is geared toward newcomers and experienced investors who are looking for a conservative approach to the foreign exchange market, and learning more about how the global economy works.

In plain language we deliver global macroeconomic analysis and actionable ideas geared toward exchange rate fluctuations.

Our analysis is comprehensible and our recommendations consist of ETFs, so don’t get turned off by buzz words like “exchange rates” or “foreign exchange” – this investing strategy is as easy to implement as buying and selling stocks.

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