

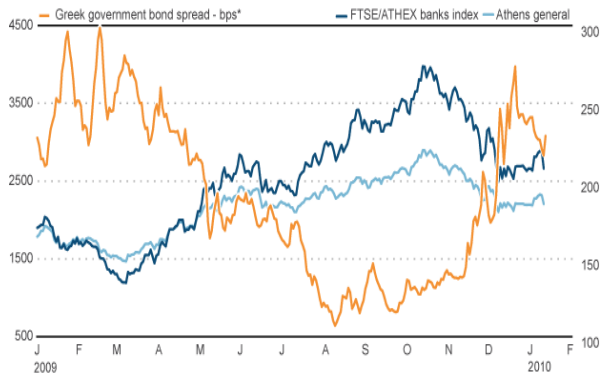
INSIDE DEBT

PRODUCED BY REUTERS IN PARTNERSHIP WITH ICAP

Monday, January 25, 2010

CHART OF THE DAY

Greek bond spreads and stock performance



Greece partially regained investors' confidence as it succeeded in selling 8 billion euros. The country's bond spreads have widened as the stock market has declined in recent days.

TODAY'S TOP NEWS

- U.S. home sales tumble as tax credit lift wanes
- Bernanke support trickles in; vote seen by week's end
- Obama unveils new initiatives for middle class
- U.S. Treasury: Banks face choice under reform plan
- Dubai hit by rating blow, refinancing warning
- EU OKs extended support for Greek financial firms
- **For more stories please click here**

ECON WATCH

FOR TUESDAY JANUARY 26

ET	Indicators	Unit	Reuters	Prior
04:00	EZ Current acc. SA, EUR	bln	-3.5	-4.6
04:00	EZ ECB Net invest flows	bln	-	17.7
04:00	DE Ifo business climate	ind	95.1	94.7
04:00	DE Ifo current conditions	ind	91.2	90.5
04:00	DE Ifo expectations	ind	99.2	99.1
04:30	GB GDP prelim qq Q4	%	0.4	-0.2
04:30	GB GDP prelim yy Q4	%	-3.0	-5.1
09:00	US CaseShiller 20 mm	%	0.1	0.0
09:00	US CaseShiller 20yy	%	-5.0	-7.3
10:00	US Consumer confidence	ind	53.5	52.9
10:00	US FHFA Home Price mm	%	-	0.6
10:00	US Rich Fed comp. index	ind	-	-4
10:00	US Manuf shipments	ind	-	-6
10:00	US Services revenues	ind	-	-9
18:50	JP Trade balance total	bln	590.0	373.9
-	JP BOJ rate decision	%	0.10	0.10
-	US FOMC Two - day meeting on Interest rates			

MARKETS TODAY

TODAY'S TOP STORY: Sales of previously owned U.S. homes suffered a record drop last month as the boost from a popular tax credit waned, raising doubts the housing market recovery can be sustained without government support. **For more please click here**

TREASURIES: U.S. Treasury prices dipped as stocks recovered from their steep slide last week, but weak existing home sales data stoked concerns over a housing rebound, cushioning the fall in bonds.

- The U.S. Treasury will kick off this week's sale of longer-term securities with a \$44 billion auction of two-year notes on Tuesday, followed by \$42 billion in five-year debt on Wednesday.
- 30-yr bond prices fell 15/32, yielding 4.55 pct up down 4.52 pct.
- 10-yr Treasury notes was down 7/32 to yield 3.63 pct.
- 2-yr Treasury notes shed 2/32 yielding 0.82 pct up from 0.79 pct.
- 5-yr Treasury notes fell 4/32 to yield 2.36 pct.

FOREX: Sterling rose against the dollar and the euro, recovering some of its recent losses as investors looked ahead to UK GDP data. Investors were also encouraged by gains in financial stocks as investors reassessed the implications of proposed curbs on banks from the White House.

- Sterling rose 0.78 pct at \$1.6236 ahead of GDP data.
- Dollar was little changed at 90.23 yen.
- The euro was down 0.06 pct at \$1.4151.
- Euro fell 0.18 pct at 127.67 yen.

CORPORATES: Overall corporate bonds held steady as bank debt gained after investors weighed the prospect of more regulation for the financial industry.

- The CDX.IG-13 index remained unchanged at 96 bps.
- The yield spread for Morgan Stanley's 2020 notes narrowed as much as 6 bps, while Goldman Sachs' 7.5 pct notes due in 2019 narrowed 8 bps to 185 bps over Treasuries.
- Adobe Systems launched its \$1.5 bln two-part note sale.

STOCKS: U.S. stocks ended higher as signs that Federal Reserve Chairman Ben Bernanke would win a U.S. Senate vote for a second term relieved the market of some of the uncertainty that contributed to last week's decline.

- Dow rose 0.24 pct to 10,197.09, S&P gained 0.46 pct to 1,196.78 and Nasdaq was up 0.25 pct to 2,210.80.
- Homebuilder Toll Brothers Inc shed 0.71 pct to \$18.15. The Dow Jones U.S. Home Construction index shed 0.10 pct.
- Shares of Apple Inc rose 2.59 pct to \$202.87.
- IBM climbed 0.49 pct to \$126.12 and HP added 1.56 pct to \$50.06. The PHLX Semiconductor index gained 1.42 pct.

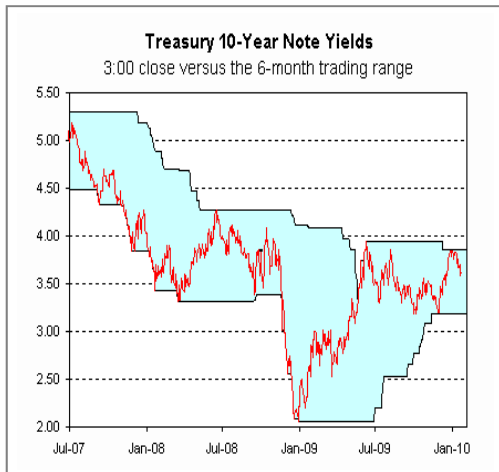
C & E: Oil prices rose as support from a weaker dollar and higher U.S. stocks outweighed pressure from continuing signs of weak demand.

- U.S. crude prices rose 0.78 pct to \$75.12 per barrel.
- Gold was up 0.55 pct to \$1,097.65 an ounce.
- Reuters-Jefferies index jumped 0.43 pct to 276.74.

- **For MARKET SNAPSHOT click here**
- **For NEXT UP click here**
- **For DEEP DIVE click here**



MARKET SNAPSHOT as of 3:00 pm EST



TREASURIES <5> <500>

	BID	ASK	YIELD	CHANGE
1-Mo Bill	0.025	-0.005	0.025	-0.002
3-Mo Bill	0.050	0.040	0.051	0.002
6-Mo Bill	0.135	0.130	0.137	0.000
1-Year	0.285	0.275	0.290	0.006
2-Year	100.336	100.367	0.825	-0.039
3-Year	99.953	99.984	1.392	-0.039
5-Year	101.195	101.242	2.367	-0.086
7-Year	100.891	100.938	3.106	-0.141
10-Year	97.859	97.922	3.636	-0.180
30-Year	97.094	97.156	4.554	-0.305

EQUITIES

	INDEX	CHANGE
DJIA	10243.64	70.66
NASDAQ	2219.99	14.70
S&P 500	1101.77	10.01

OIL

	PRICE	CHANGE
NYMEX	75.3	0.7
BRENT	72.9	0.1

EURODOLLAR FUTURES

	CLOSE	CHANGE
Feb-10	99.738	0.008
Mar-10	99.710	0.000
Jun-10	99.605	0.005
Sep-10	99.350	0.010

REPURCHASE AGREEMENTS

G/C		MORTGAGE REPOS	
O/N	0.180	O/N	0.190
2-Week	0.200	2-Week	0.200
1-Month	0.200	1-Month	0.200
3-Month	0.210	3-Month	0.230
AGENCY REPOS		i-REPO SM INDEX	
O/N	0.180	10:00 AM	0.120
2-Week	0.180	3:00 PM	0.120
1-Month	0.220		
3-Month	0.220		

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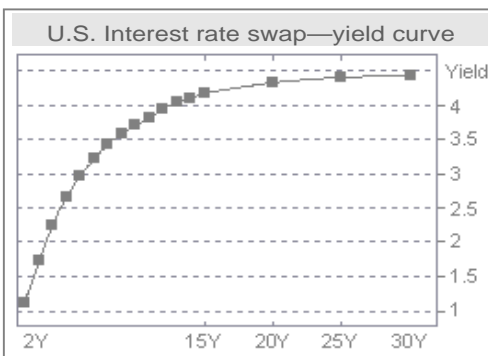
	SPREAD		RATE	
2-Year	27.50	31.50	1.10	1.12
3-Year	32.25	36.25	1.71	1.72
5-Year	29.25	33.25	2.66	2.66
7-Year	13.50	17.50	3.24	3.23
10-Year	9.25	13.25	3.72	3.71
30-Year	-13.00	-9.00	4.42	4.40

FUTURES

	PRICE	CHANGE
CBOT 5 yr	116.04	-0.15
CBOT 10 yr	117.59	-0.31
CBOT 30 yr	118.25	-0.59

EURODOLLAR DEPOSITS & OIS STRIPS (ASKED)

	BID	ASK	BID	ASK
O/N	0.120	0.160	-	-
1-Month	0.180	0.280	0.131	0.141
3-Month	0.240	0.400	0.143	0.153
6-Month	0.280	0.480	0.165	0.175
12-Month	0.750	1.050	0.320	0.330



CURRENCIES

	BID	ASK
Euro	1.4150	1.4152
Sterling	1.6236	1.6240
JP Yen	90.28	90.30
Swiss Franc	1.0396	1.0398
Can Dollar	1.0573	1.0578
Mexico	12.8489	12.8550

FED FUNDS NYFRSM - 10AM

Open	0.1300	1m	0.2175
High	0.1300	3m	0.2469
Low	0.0800		

ACTIVE FANNIE MAE AGENCIES

TERM	COUPN	MATURITY	YIELD-SPREAD	YIELD
2-Year	0.875	12/01/2012	15 13	0.98
3-Year	1.375	09/01/2013	22 20	1.61
5-Year	2.875	09/02/2015	31 0	2.67
7-Year	5.125	18/10/2016	18 17.5	3.29
10-Year	-	-	- -	-
30-Year	6.625	15/11/2030	37.25 36.75	4.93

ACTIVE FREDDIE MAC AGENCIES

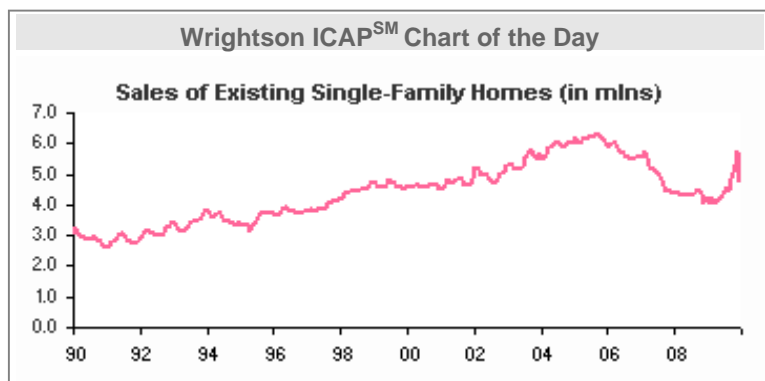
TERM	COUPN	MATURITY	YIELD-SPREAD	YIELD
2-Year	1.125	15/12/2011	13 12.5	0.95
3-Year	1.75	22/02/2013	29 27	1.68
5-Year	2.625	20/11/2014	19 0	2.55
7-Year	5.25	15/09/2016	13.5 13	3.24
10-Year	3.75	27/03/2019	22 21	3.85
30-Year	6.25	15/07/2032	39.25 38.75	4.95

Active MBS 15YR

	CPN	BID	ASK	YIELD
FNMA	5.0	105.1350	105.1550	2.620
FHLMC	5.0	105.1350	105.1550	2.620

Active MBS 30YR

	CPN	BID	ASK	YIELD
FNMA	5.5	105.1960	105.2160	2.933
FHLMC	5.5	105.2400	105.2600	2.821
GNMA	5.5	105.1650	105.1850	3.609



TODAY'S TOP NEWS

U.S. home sales tumble as tax credit lift wanes

Sales of previously owned U.S. homes suffered a record drop last month as the boost from a popular tax credit waned, raising doubts the housing market recovery can be sustained without government support.

The NAR said that existing home sales fell 16.7 percent in December to an annual rate of 5.45 million units. It was the sharpest decline on records dating to 1968 and the slowest sales pace since August.

Analysts, who had expected a 5.90 million unit pace, said the slump month underscored the degree to which the housing market recovery was reliant on government aid.

According to NAR, first-time home buyers accounted for 43 percent of the sales in December, down from 51 percent the previous month. Distressed transactions made up 32 percent of the sales. Existing home sales for the whole of 2009 rose 4.9 percent, the Realtors group said. Still, there were some encouraging signs. The median home price rose 1.5 percent from December 2008 to \$178,300.

Obama unveils new initiatives for middle class

U.S. President Barack Obama on Monday proposed a package of measures to help middle class families, emphasizing ordinary Americans as he is expected to do later this week in his State of the Union speech.

"Creating good sustainable jobs is the single most important thing that we can do to rebuild the middle class," Obama said after his administration unveiled proposals to expand a child-care tax credit and encourage savings.

The moves reflect a decisively more populist stance by Obama, who has stressed his determination to fight for the middle class and take a tough line toward Wall Street after suffering a serious setback last week in an election for a U.S. Senate seat.

A White House official said the State of the Union speech's themes would include "creating good jobs, addressing the deficit, changing Washington, and fighting for middle class families." Separately, U.S. President Barack Obama called on the U.S. Congress on Saturday to create a bipartisan panel that would look at ways to rein in the country's soaring deficits.

Obama said in a statement the country faced a "serious fiscal situation" that stemmed from the recession he inherited from the Bush administration and years of "failing to pay for new policies."

Dubai hit by rating blow, refinancing warning

S&P pulled its rating on a top Dubai company and the emirate's global ports group voiced fears over long-term financing, adding to investor anxiety about the Gulf Arab state.

The ratings agency cut Dubai Holding Commercial Group, to B from BB+ and then withdraw the rating altogether in a fresh blow to the emirate's financial reputation.

"It was certainly a very severe note, and seems to lend credence to the doubts that have been expressed about Dubai Holding for some time," said David Butter, director for the Middle East and North Africa at Economist Intelligence Unit, in London. In a sign of the wider impact of Dubai's debt woes said its debt crisis could have long-lasting effects on the region's financial sector. S&P said cash flow generation for DHCOCG was likely to be materially weaker than expected, undermining its ability to meet its 2010 debt maturities. Meanwhile, Khalid al-Malik, chief executive of Dubai Properties, another Dubai Holding unit, told Al Arabiya television that the real estate company had assets of about 200 billion dirhams (\$54.5 billion).

Bernanke support trickles in; vote seen by week's end

The U.S. Senate looked likely to grudgingly approve Ben Bernanke to a second term as Federal Reserve chairman this week after the White House stepped in to defend his crisis-fighting record and rally votes.

A Reuters poll showed 35 senators were either committed to approving the nomination or leaning that way, while 17 were outright opposed or inclined that way. Senate leaders need to secure a super-majority of 60 votes in the 100-member chamber to overcome efforts by some senators to block the nomination. Senate Majority Leader Harry Reid expects a confirmation vote by the end of this week and hopes to have the necessary 50 votes to support reappointment, his spokesman said.

What looked like a sure thing one week ago was thrown into doubt when a handful of lawmakers, including two Senate Democrats said on Friday they would not support Bernanke because of his handling of Wall Street bailouts.

Senator John McCain, the Republican presidential candidate in 2008, said he would vote against the nomination because Bernanke "must be held accountable for many of the decisions that contributed to our financial meltdown."

U.S. Treasury: Banks face choice under reform plan

Financial firms will need to choose between being a bank with insured deposits or engaging in hedge fund, private equity and proprietary trading activities under the Obama administration's new bank reform plan, a senior U.S. Treasury official said.

Deputy Treasury Secretary Neal Wolin, speaking to reporters on a conference call, said however, that the plan was not a return to Glass-Steagall, the Great Depression-era law that separated commercial and investment banking.

Wolin said the major distinction that would constrain riskier activities under the proposals would be deposits guaranteed by the FDIC. Banks with FDIC insurance would not be able to own hedge funds or private equity firms or engage in proprietary trading.

But he noted that banks with FDIC-insured deposits could still perform investment banking and brokerage activities on behalf of clients -- operations that commercial banks were prohibited from conducting before Glass-Steagall was effectively repealed in 1999. Non-banks that choose riskier activities could also perform these investment banking functions, he added.

EU OKs extended support for Greek financial firms

European Union regulators approved the extension of a Greek support package for credit institutions until June 30, saying the steps complied with rules on state aid for firms hit by the financial crisis.

The support measures consist of a recapitalisation scheme, a guarantee scheme and support through the issuance of Greek state special-purpose securities to credit institutions, the executive European Commission said in a statement.

Separately, Greece regained some market confidence as a hefty premium on the first Greek bond issue of the year led to strong demand, providing relief from a deep economic crisis that has battered its markets for weeks. Demand for the bond reached more than three times the initial offered size, a welcome boost since the worst Greek economic crisis in decades led to questions about its ability to raise financing and dented the euro. In a first test of Prime Minister George Papandreou's mettle to face social opposition, hundreds of farmers protested in Athens on Monday after blocking roads and border crossings to fellow EU member Bulgaria in the past nine days.

TODAY'S TOP NEWS

Banks should pay for protection -UK minister Myners

Banks around the world that enjoy any kind of state support should pay for the privilege rather than expecting taxpayers to bail them out, British Treasury minister Paul Myners said in an article published.

Myners will discuss options for doing this when he hosts a meeting of officials from G7 finance ministries, the IMF, World Bank and the Financial Stability Board on Monday.

Proposals on the table include a global insurance levy, the use of contingent capital instruments and a global transactions tax, Myners said.

U.S. President Barack Obama has called for a levy on banks' balance sheets to recoup "every single dime" of the billions of dollars spent rescuing the financial sector during the credit crisis.

Myners, who said on Friday that the Obama plan was designed to suit specifics in the U.S. industry, said future regulation needed to be coordinated to prevent international banks from finding loopholes in the system.

Euro zone Nov orders revised higher, up 2.7 pct m/m

Growth in euro zone industrial new orders for November was revised up to 2.7 percent month-on-month from a previously reported 1.6 percent, following an upwards correction of the data for Germany.

Germany said on Friday that the country's orders rose 2.8 percent month-on-month, up from a previously reported gain of 0.2 percent, the increase chiefly due to a correction in the volume of investment goods ordered from outside the euro zone.

The European Union statistical office said that November orders in the 16-country currency area fell 0.5 percent year-on-year, compared with the previously reported 1.5 percent decline.

The upwards revision bodes well for economic growth in the last quarter of 2009 and early this year.

According to the latest figures, new orders for intermediate goods increased by 2.3 percent on the month, capital goods by 1.1 percent, durable consumer goods by 0.6 percent and non-durable consumer goods by 0.8 percent.

Liquidity, subdued outlook keep rates pinned down

Bank-to-bank borrowing costs for euros over three months stayed at a record low with plentiful central bank liquidity helping keep rates pinned down.

Mounting signs of a patchy global economic recovery have also driven down short-end rates, sending Euribor interest rate futures to contract highs this month.

The September three-month Euribor future scaled a peak of 98.850 last Friday and was last trading not far off that level, at 98.815.

In the euro zone, worries about debt-laden Greece's fiscal health, the resultant selloff in Greek bonds and the spillover effect on other peripheral euro zone government bonds have complicated the economic recovery picture. The three-month London interbank offered rate held at a record low of 0.61375 percent, unchanged from Friday, while the equivalent dollar rate was fixed slightly lower at 0.24857 percent, matching the all-time low seen in the last two months.

ECB's Nowotny sees case for China to change FX policy

The ECB policymaker and Austrian Central Bank governor Ewald Nowotny sees a strong need to have changes in the exchange rate policy of China.

In an interview with the Financial Times published on its Web site, Nowotny said: "I think there is a strong need from the macroeconomic side to have changes in the exchange rate policy of China because economically it's very problematic for a country to have huge surpluses in the current account."

Referring to the comparatively high valuation of the euro he mirrored comments he made in a recent interview with Reuters.

"Developments have not been disruptive up till now, but one has to observe this very carefully."

He added that, "The traditional way to get out of recession has been upswing in export side. Here we see certain problems if there is a tendency of longer-term revaluation of the euro, not only vis-a-vis the dollar but also vis-a-vis Asian currencies."

NEXT UP

U.S. Nov home prices, Dec new home sales seen up

U.S. home prices likely rose marginally in November after coming in flat the previous month, indicative of stabilization in the hard-hit U.S. housing market which for years suffered steep monthly declines. While monthly price gains have faded since the spring and summer of 2009, it would mark the sixth increase in seven months.

The median forecast is for a month on month rise of 0.1 percent in the S&P composite index for home prices in 20 metropolitan areas in November. Forecasts from 14 economists ranged from a drop of 1.0 percent to a rise of 1.6 percent. The median forecast is for a year-over-year drop of about 5.0 percent in the S&P composite index for home prices in 20 metropolitan areas. Forecasts from 25 economists ranged from a drop of 4.5 to 6.8 percent. The median forecast is for a rise of about 4 percent in U.S. new home sales to 370,000 annual units in December. Forecasts from 64 economists ranged from 340,000 to 400,000 annual units. New home sales likely rose in December after tumbling to a seven-month low in November. New home sales measure the number of newly constructed homes with a committed sale during the month, not completed deals.

Britain set to make belated recession exit

Britain's worst recession in more than 50 years will soon be confirmed as over, if economists' forecasts for fourth-quarter GDP data due on Tuesday are right, but the strength of any recovery looks less certain.

Economists predict on average that Britain's economy grew by 0.4 percent from October to December, with none of the 35 polled by Reuters seeing a negative reading -- though that was also the case before the Q3 shock.

However, this time a return to growth requires less of a turnaround in output, because a contraction of just 0.2 percent was recorded for the third quarter compared to 0.7 percent in the second.

Britain will be the first major advanced economy to report fourth-quarter GDP, and the strength of the recovery will help set the tone elsewhere, especially within the euro zone where Britain ranks just behind the U.S. as a major trading partner.

Economists are relatively divided about how strong a rebound there will be, with forecasts in the Reuters poll ranging from 0.2-0.9 percent for Q4 2009, while for 2010 as a whole they see growth of 1.2 percent, within a range of 0.3-2.2 percent.



DEEP DIVE Commentary and Analysis

COLUMN-Banks' exposure to the Obama Plan

By John Kemp

President Barack Obama's proposals to ban banks from proprietary trading unrelated to serving their customers will have a very uneven impact on the sector.

There is no easy way to identify how much money the major banks make from proprietary trading rather than market-making, brokerage and hedging services on behalf of their customers. The banks do not break out their activities in this way, and the regulators do not collect standardized data.

But it is possible to identify which banks depend most heavily on trading rather than investment or commercial banking activities, and which are therefore potentially most exposed to a tightening of the regulations to prevent proprietary trading unrelated to serving their customers.

The attached charts show the 20 largest banks in the United States by average assets and the share of their adjusted operating income derived from trading activities in the first nine months of 2009.

Of the biggest banks, Goldman Sachs (55 percent) and Morgan Stanley (36 percent) depend far more than the others upon trading for the lion's share of their adjusted operating income.

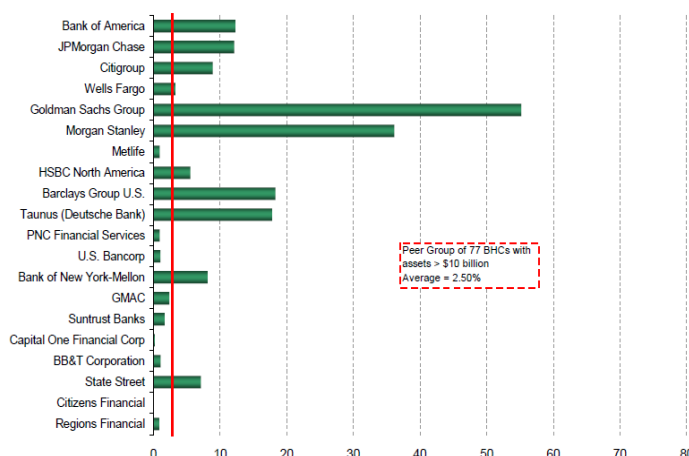
Other significant traders are Barclays U.S. (18 percent) and Deutsche-Taunus (17 percent), followed more distantly by Bank of America (12 percent), JP Morgan Chase (12 percent), Citigroup (9 percent), Bank of New York-Mellon (8 percent) and State Street (7 percent).

In contrast, the top 77 banks (with over \$10 billion of assets each) derived on average just 2.5 percent of their operating revenues from trading, according to the Federal Reserve's peer group statistics.

Not all those trading revenues are at risk. Many will be from "customer-related" activities. But if the administration's proposed "Volcker Rule" separating banking from proprietary trading is enacted by Congress and enforced by bank examiners it is these banks that face the largest dent in their revenues, or at least the most intrusive regulation to ensure revenues really are customer-related and not speculation for the house.

-- John Kemp is a Reuters columnist. The views expressed are his own --

LARGEST U.S. BANKS: TRADING REVENUES AS PERCENTAGE OF ADJUSTED OPERATING INCOME



COLUMN-U.S. banking proposals favor East Asia centers

By Neal Kimberley

Just as the equity market gave its verdict on President Obama's proposal to limit financial risk-taking by marking down bank shares, the currency market responded with a general sell-off of the dollar.

This was fuelled in part by a belief that business excluded from the United States would re-emerge elsewhere.

If the proposal, championed by former Federal Reserve Chairman Paul Volcker, turns into solid legislation, that business may shift to Hong Kong and Singapore. Both centers should attract currency traders' attention.

The foreign exchange market's knee-jerk reaction to sell the greenback seems well-grounded.

The earning potential in the United States of banks or financial institutions owning banks must necessarily be impaired by a proposal that would prevent them from owning, investing in or sponsoring a hedge fund or private equity fund.

Income generation would further be curtailed by barring institutions from proprietary trading, operations characterized as unrelated to serving customers.

But the implications go further. Banks and financial institutions that make less money pay less tax. The two largest U.S. financial centers, New York and Chicago, fall within two states, New York and Illinois, that have big budget deficits.

Only California has a bigger absolute mid-year state budget gap (\$6.3 billion) than Illinois (\$5 billion) and New York (\$3.2 billion). Only Arizona, with a deficit of 20.5 percent of the budget, exceeds Illinois's 14.3 percent.

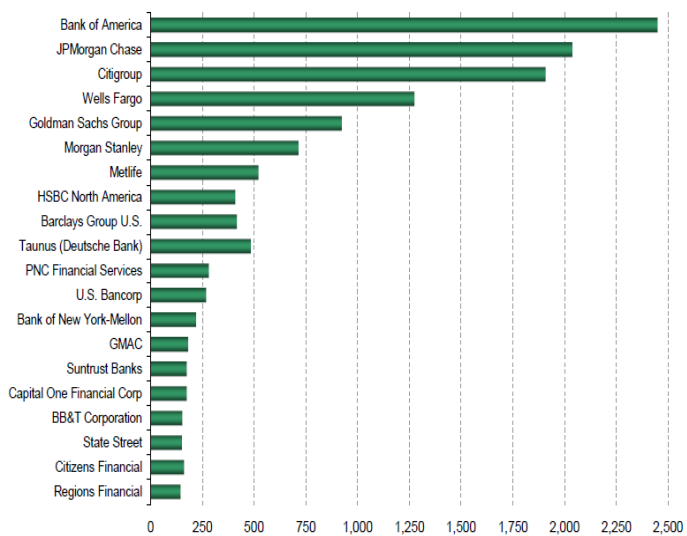
If the banks downsize, the impact on employment goes beyond the direct job losses. Industries that cater for financial workers would also be adversely affected.

The market's dollar-negative response is justified. However, it must be assumed that business barred from the United States will re-emerge elsewhere as global capital seeks higher returns. The benefiting jurisdiction could not be accused of regulatory arbitrage as the business flow would be as a consequence of unilateral U.S. policymaking.

Yet identifying the eventual winners is not simple. Switzerland would probably be considered well-positioned to benefit. However, Swiss National Bank Chairman Philipp Hildebrand has already welcomed the Obama plan saying "the proposal... is certainly something we are extremely interested in".

In Britain, Labor Prime Minister Gordon Brown is "comfortable" with the U.S. plan while the candidate to be finance minister in a

LARGEST U.S. BANKS: AVERAGE ASSETS JAN-SEP 2009 U.S.\$ bn



DEEP DIVE Commentary and Analysis

prospective post-election Conservative government, George Osborne, backed the proposal. France's Economy Minister Christine Lagarde was even more lavish in her praise, arguing the Obama plan was "a very, very good step forward".

THE VISION

So if western European policymakers are backing the vision if not the detail of the plan, it would be unwise to assume their financial centers will be allowed to embrace the business that may have to exit the United States.

It is far more likely that those business flows will re-emerge in East Asia, and the two stand-out candidates would be Hong Kong and Singapore.

Both are well-developed financial centers.

Both have well-established corporate governance and regulatory regimes, and well-respected monetary authorities.

Both have a growing financial footprint with Asia leading the

global economic recovery.

But for currency speculators wishing to trade this possible shift, the Hong Kong dollar peg means there is only one real choice, the Singapore dollar.

The tenacity of the Hong Kong Monetary Authority in defending the Hong Kong dollar peg over decades limits the potential for appreciation against the U.S. dollar.

At the same time, the Singaporean government has proved adept over decades in ensuring the island state's economy evolves and innovates to meet new challenges. That has included the encouragement of the financial sector. It is logical to believe Singapore will be a beneficiary of the Obama bank plan. If traders think the U.S. bank proposals will be enacted, it would seem logical to sell the dollar against the Sing.

-- Neal Kimberley is an FX market analysts for Reuters. The opinions expressed are his own --

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(Compiled by Anil Kumar and Pronita Naidu in Bangalore)

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