



# Smart

# MoneyLetter.com

## SMART IDEAS. SMART RETURN

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### Trade suggestions for this week

Watch daily updates- conditions may change.

### Commodities/Futures trade(s)

- **Open trade(s) from previous week:** CF127.

### Stock/Index/ETF trade(s)

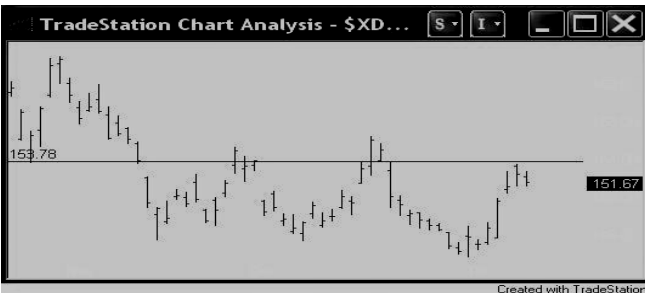
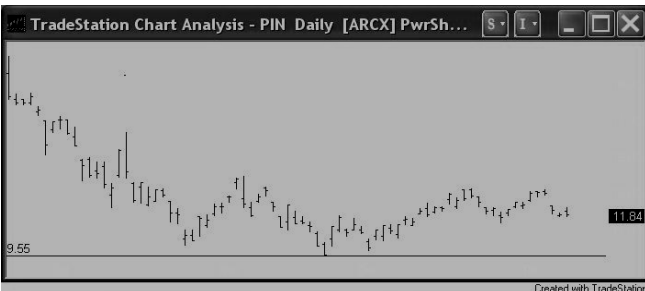
- Open trade(s) from previous week: SK115, SK116, SK117
- SK118 Buy to open 100 shares of Wisdom Tree Dreyfus Brazilian Real (BZF) @ 18 even. Stop loss \$15. Profit target \$26. Suggested risk: \$300. Suggested profit target: open.
- SK119 Buy to open 1 March 2009 Phlx US Dollar settled British Pound Currency Options Index(XDB.X) put with strike price 151.00 at \$5.10 or better. Profit target: \$15 or better. Suggested risk: \$510. Suggested profit target: \$990 or better.
- SK120 Buy to open 100 shares of Powershares India Portfolio (PIN) at \$10 or better. Stop loss:\$7 even. Profit target: \$20 Suggested risk: \$300. Suggested profit target: \$1000.

### What happened in the week gone by!

- Overall, the DJIA declined about five percent.
- Citi corp back in news— Rubin submits his resignation; Citi talks with MorganStanley to sell its Smith Barney brokerage unit.
- Israel-Hamas conflict escalated; market discounted possibility of crude supply disruption.

### What to watch for in the coming week!

- The US stock market expected to be volatile- Obama fever and dismal economic news see-saw!
- European Union Industrial Production expected to decline. ECB expected to cut interest rate by 50 basis points. Bearish for Euro.
- US Jobless claims expected to rise.
- US Consumer Price Index expected to decline.



Indian stock market took a tumble last week in view of Satyam scandal. We believe this crisis presents an excellent opportunity to enter the Indian stock market. In our opinion, a broad diversified investing approach in Powershares India Portfolio (PIN) shares seems to be a prudent way to enter this market. We expect volatility in the near-term but the long-term fundamentals remain intact.

A steady stream of disappointing economic data added further gloom to British economic forecasts, and the general mood remains dour for the British Pound. Second revisions to Gross Domestic Product figures confirmed that the domestic economy finds itself in its worst slowdown since 1990-1991, and formal announcements of a fiscal stimulus package hardly boosted outlook for bearish economic trends. On balance, there seems to be little hope for a noteworthy improvement in economic conditions through the foreseeable future.

Brazilian economy, like the rest of the world, is expected to slow down in the near future. However, the underlying fundamentals of the economy remain intact. The general outlook for the Brazilian economy in 2009 remains positive as commodities rise in response to the billions of dollars worth of stimulus packages are put to work.

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