

FX Update

30 September 2010

Investment Committee



JYSKE GLOBAL
ASSET MANAGEMENT

Swap from short EUR/GBP to long GBP/USD position

Closing short EUR/GBP

Today, we decided to close our short position in EUR/GBP (sold euro and bought British pound). The position was entered 16 September at EUR/GBP 83.71 and closed 30 September at 85.97. We have therefore realized a loss of 2.70%.

Opening long GBP/USD

We still expect British pound (GBP) to strengthen and according to Morgan Stanley (MS) the GBP is one of the most undervalued currencies in the G10. Bank Credit Analyst (BCA) also argue for a stronger GBP. In the light of the current weakening of the US dollar (USD) and that the Fed signals to continue Quantitative Easing (QE), we have today sold USD and bought GBP.

Existing positions

Short USD/MXN

Position taken: Sold USD and bought MXN at 12.6423

Size: 20% of AUM

Stop loss: 13.60 (-7.58%)

Target: 11.85

Long GBP/USD

Position taken: Sold USD and bought GBP at 1.5921

Size: 20% of AUM

Stop loss: 1.5300 (-3.90%)

Target: 1.6370 (+2.8%)

Editors

The FX-team, Henrik Tjott Villumsen and Thomas Fischer, plus the Fixed Income team, Anders Nielsen and Bente Larnkjær, are responsible for the FX Update and can be contacted on mail or phone: henrik@jgam.com / +45 8989 5910, anders@jgam.com / +45 8989 5907, bente@jgam.com / +45 8989 5906 and fischer@jgam.com / +45 8989 5903.

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