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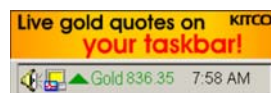
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## Surprise Dollar Rally



By Roger Wiegand   
Aug 8 2008 11:46AM

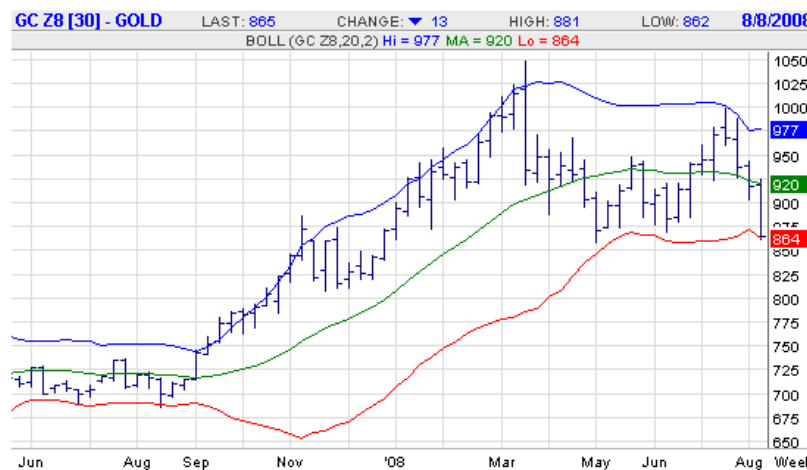
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Dollar makes a breakout rally on news United Kingdom and European Central Banks hold rates with no increases. Traders were thinking anti-inflationists would win and rates would go up. As Europe and Asia slide faster into recession, fears of a crash prevented those interest rates from climbing. This means Europe's inflation rises faster like the USA.

September, 2009 most active US Dollar futures rally as Europe and UK move toward rate parity.



December, 2008 gold futures sell on dollar rally. Support is 864 but 848.50 could be low.



Commodities traders and more specifically, precious metals traders were surprised early this Friday morning with a strong rally in the US Dollar. It didn't take us long to find out why. The European Central Bank has been adamant they would fight inflation with talk of interest rate increases. Similar inflation fighters in the United Kingdom had the same idea as both banks were determined to stave-off rampant inflation as viewed in the United States with our skidding dollar.

They had the right remedy but economies in the EU, UK and surrounding nations have fallen so fast the greater fear was a massive, collective, credit crash should the rates go up. It appears at the last minute central bankers capitulated and voted to stand pat with no changes. Now, we further forecast they will have to cut interest rates at future meetings to avoid a credit-liquidity seize-up, essentially paralyzing all banks, credit and lending. This is getting very ugly, very fast.

While precious metals traders were shocked at the selling this morning along with other falling commodities, we suggest the selling will soon abate, find a new lower basing support and then rally anew. Trader Tracks had forecast a commodities and gold and silver bottom

*in mid-August. Since our 2008 PM rallies started several days earlier than normal on December 28, 2007, we felt the cycles would be disrupted and everything would fast-forward by two cycle weeks. We presented two choices in our predictions recently as we could not be certain. Now that Europe intervened with today's market action, it appears the old, annual, very normal bottom will be our basing date.*

*Traders should look for that base on 8-15-08, or the following week beginning 8-18-08. It will take some days' of trading to peak and sell the dollar from this new breakout price. However, we suggest traders sit tight and do nothing especially if they have tight stops and spread trades for loss protection.*

*As they say so often when lightening bolts hit us out of the blue; "This too shall pass."*

*Gold and silver traders, shares' investors and those with enough foresight to prepare, will endure this mayhem without too much disruption and can in fact be handsomely rewarded.*

#### **Late Summer Buying Cycle Arrives Near August 15-18, 2008**

Watch for new rallies in most all commodities markets in late August after an interim shorter term rally and profit-taking event. Channelized mini-rallies in gold and silver are completed. Now its time to buy.

Our late summer forecast is a mild haircut in most stock shares including precious metals. *The only action to prevent selling is our stunningly time-worthy Plunge Protection Team who had multiple recent failures propping shares. Will they win during the summer push-em-up event? We think with all the other market dangers **they will prop their little hearts out** and not permit the Dow and S&P 500 to get out of control. In our newsletter, *Trader Tracks*, we provide weekly guidance and extra e-mail alerts to report our best new trades and offer suggestions for trade management. Visit our website at ([webeatthestreet.com](http://webeatthestreet.com)) for more information on our spectacular futures and commodities trading record.*

Whatever you do, make a concerted effort to stay with the trend and hang onto your core holdings of preferred shares, cash, and coins. Physical gold should never be sold or, traded but rather *accumulated steadily on a monthly savings plan and squirreled away*. Big traders are always ready to buy on the dips and normally never sell their gold and silver. You would be amazed how quickly your physical gold and silver will accumulate using this strategy. - **Traderrog**

**Roger Wiegand**  
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**Roger Wiegand** is Editor of *Trader Tracks* Newsletter for gold, silver and energy traders. Roger provides recommendations for short and longer term traditional stock shares, futures and commodities trading with specifics for individual trades.

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