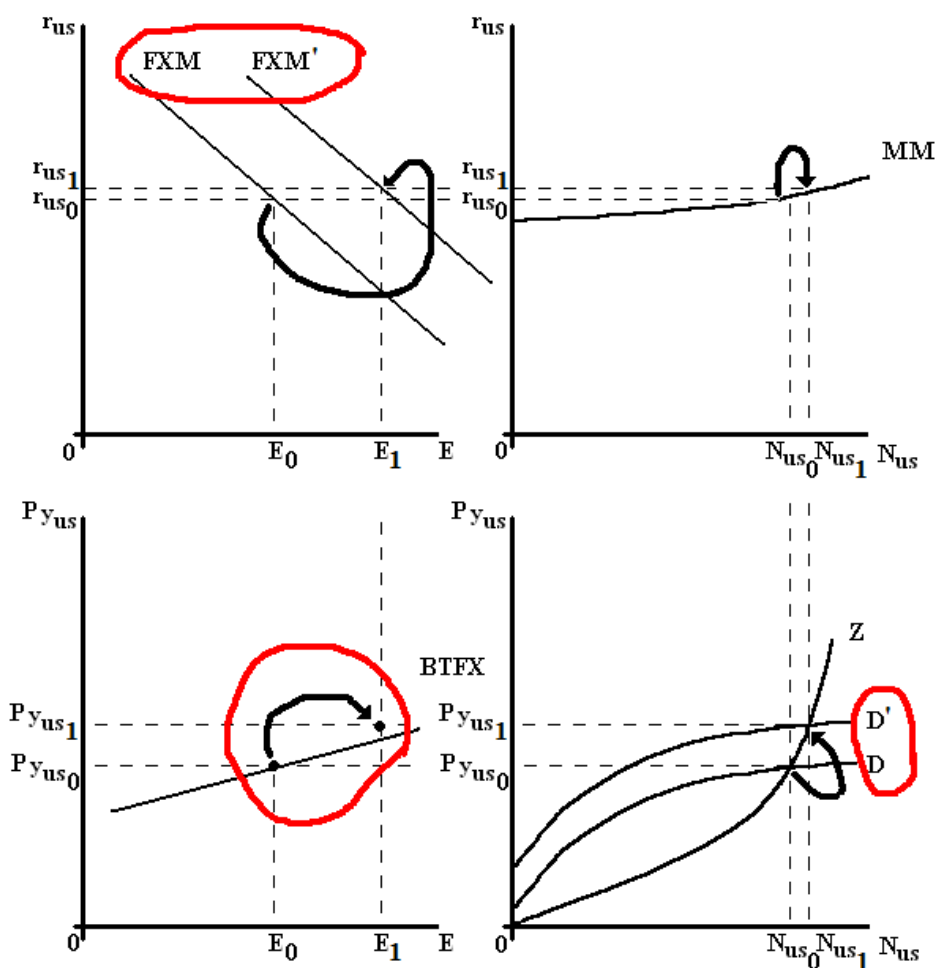
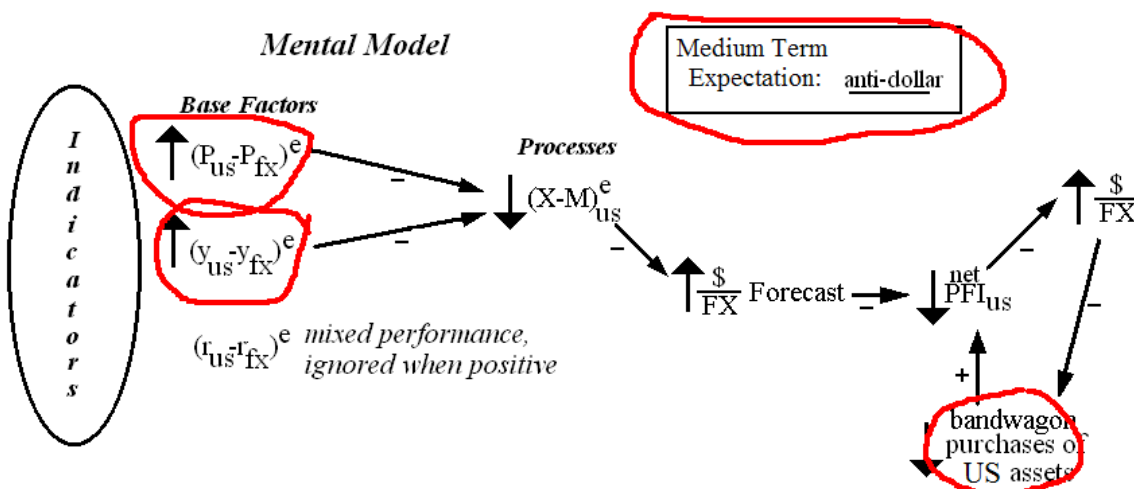


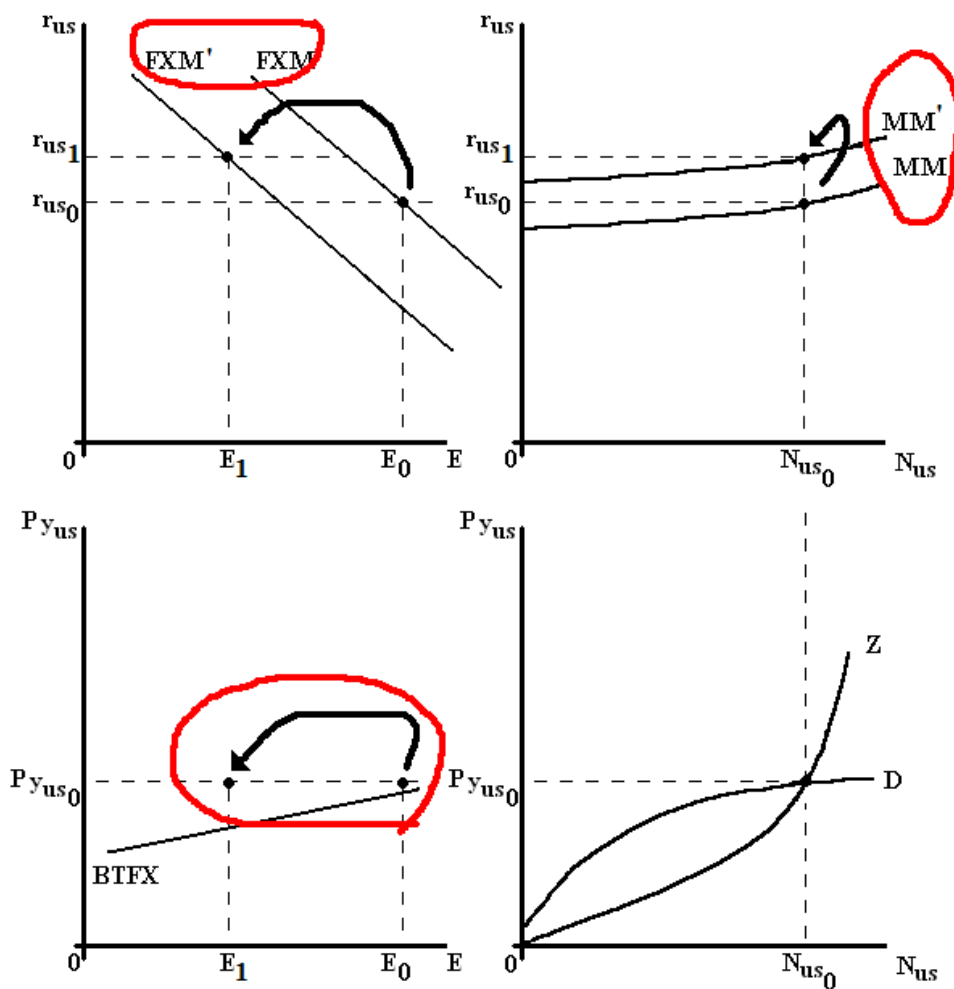
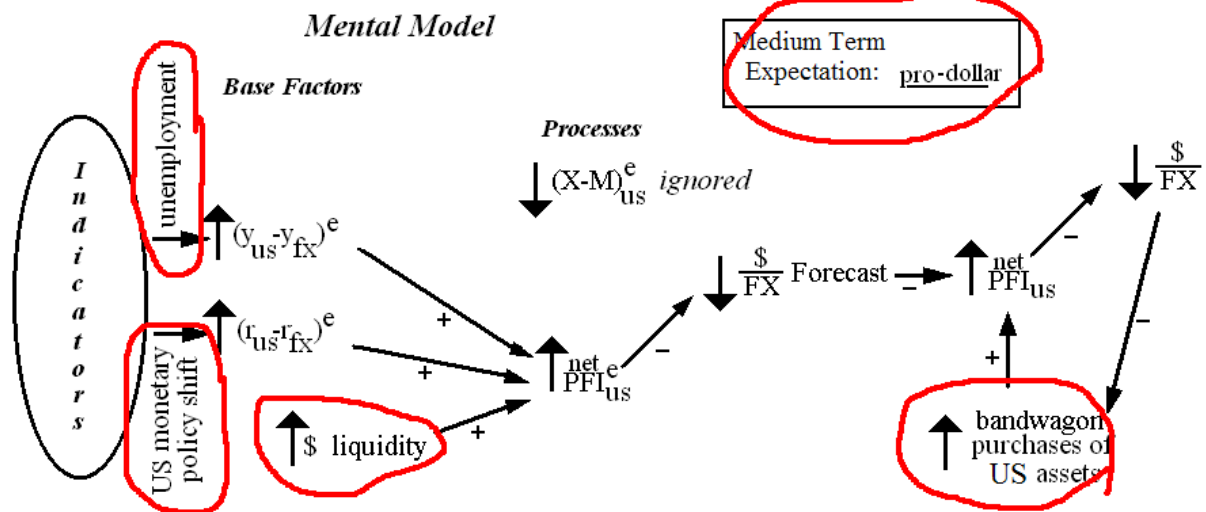
Six Stages of the Dollar in Chart Form

Period	Dollar	Mental Model	Z-D	(X-M)
Bretton Woods Collapse and Adjustment (1970-79)	down	anti-\$ med term exp anti-\$ bandwagon prices higher in US macro growth higher in US	up D right FXM	balance to deficit
Dollar Run Up (1980-February 1985)	up	pro-\$ med term exp pro-\$ bandwagon tighter US mon policy unemployment lower in US \$ seen as safe haven	up MM left FXM	increase in deficit
Dollar Reversal (March 1985-April 1995)	down	anti-\$ med term exp anti-\$ bandwagon interest rates lower in US twin deficits seen as prob in US Plaza Accord meets to lower \$	down MM right FXM	shrink in deficit
Last Days of the Mark (1995-1998)	up	pro-\$ med term exp interest rates higher in US macro growth higher in US	up D up MM left FXM	increase in deficit
Euro Decline (1999-2001)	up	pro-\$ med term exp pro-\$ bandwagon interest rates higher in US advent of euro encourages \$	up MM left FXM	increase in deficit
Euro Recovery (2001-2007 or 8)	down	anti-\$ med term exp interest rates lower in US trade deficit high in US US subprime crisis affects \$	down MM right FXM down BTFX	little change

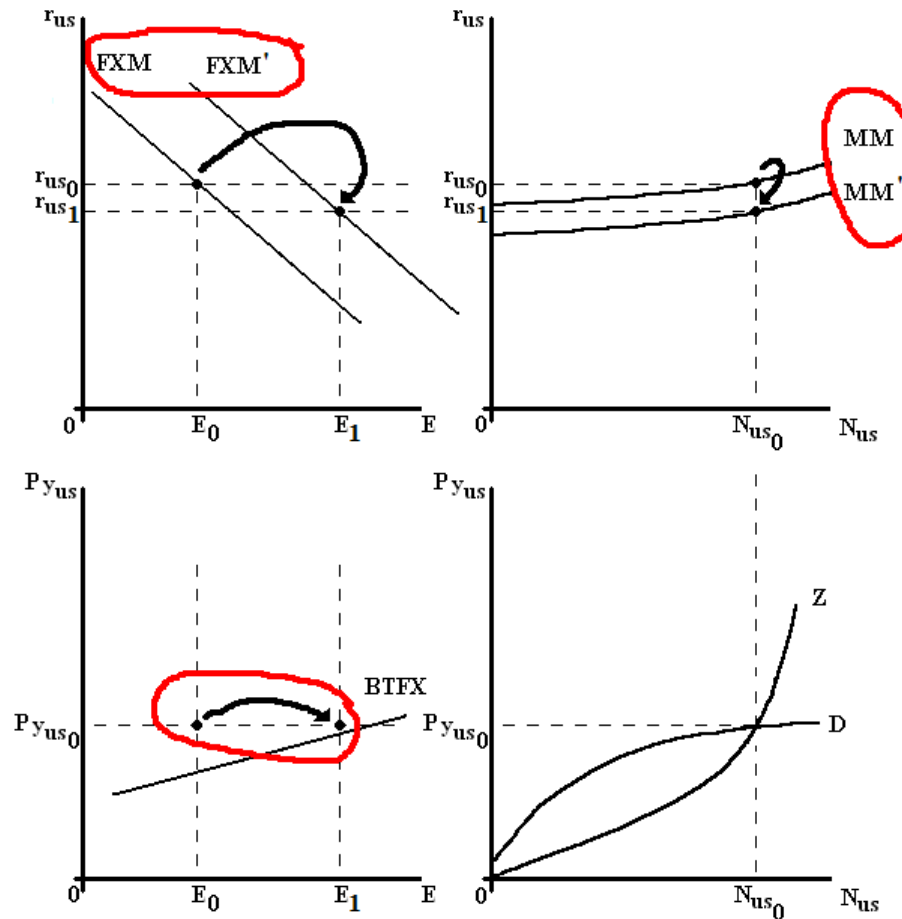
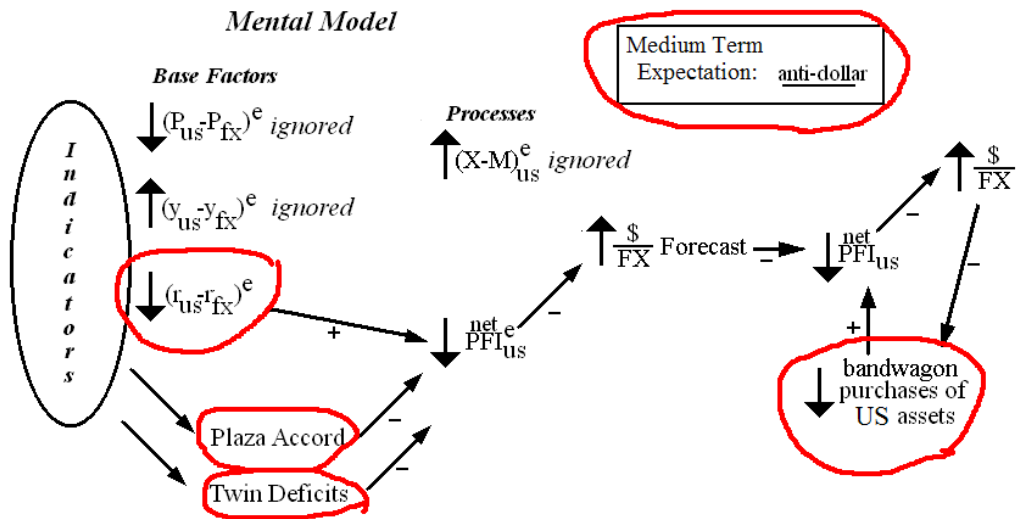
Bretton Woods Collapse and Adjustment (1970-79)



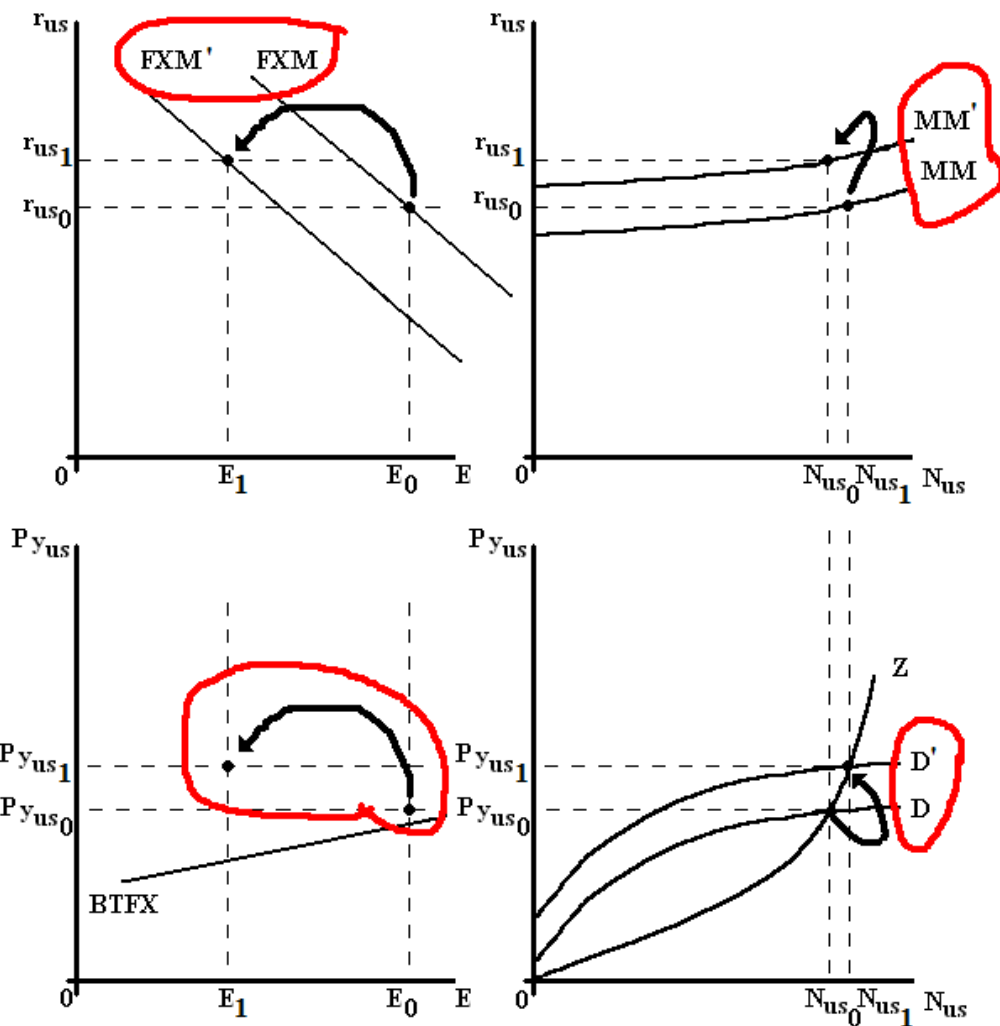
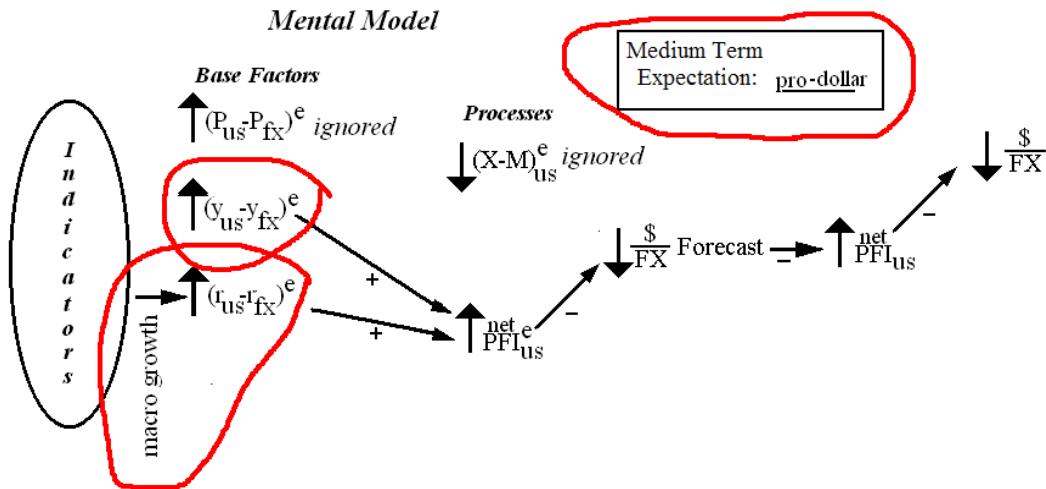
Dollar Run Up (1980-February 1985)



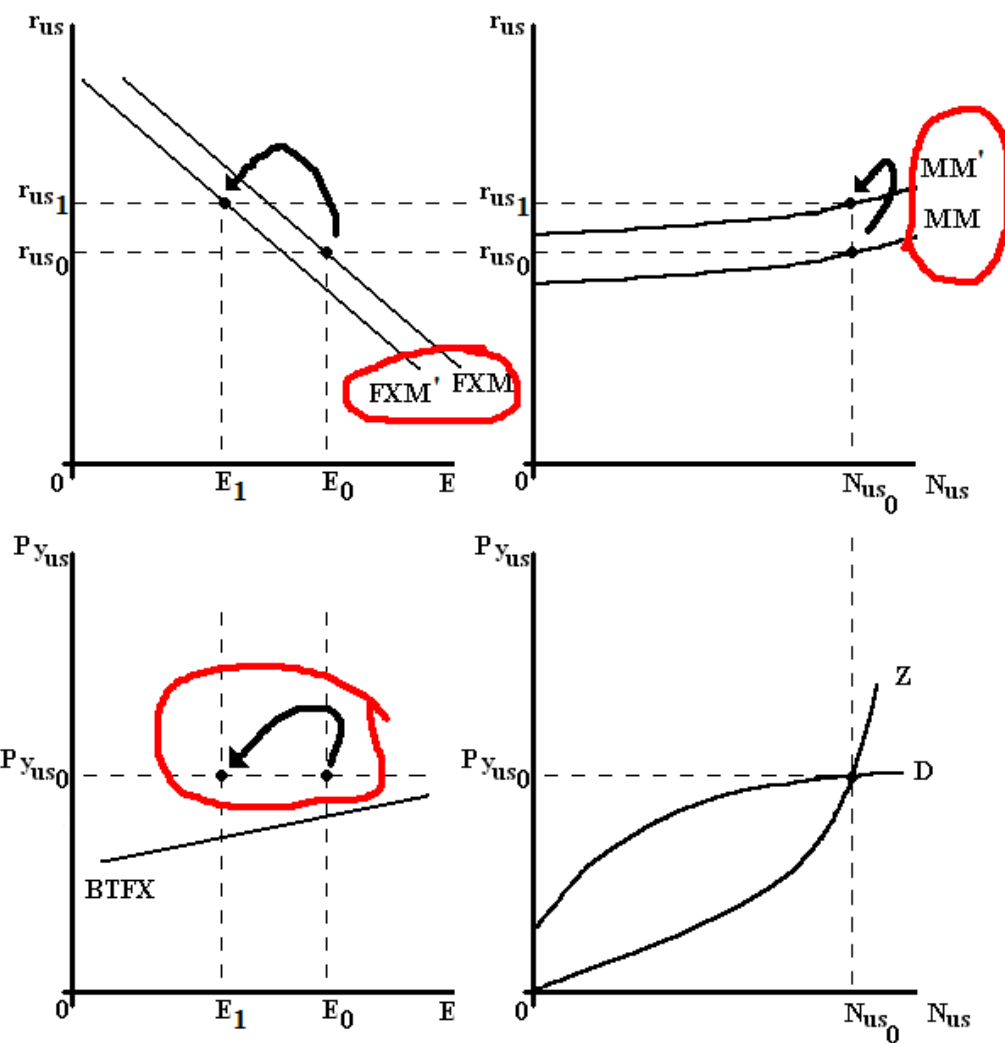
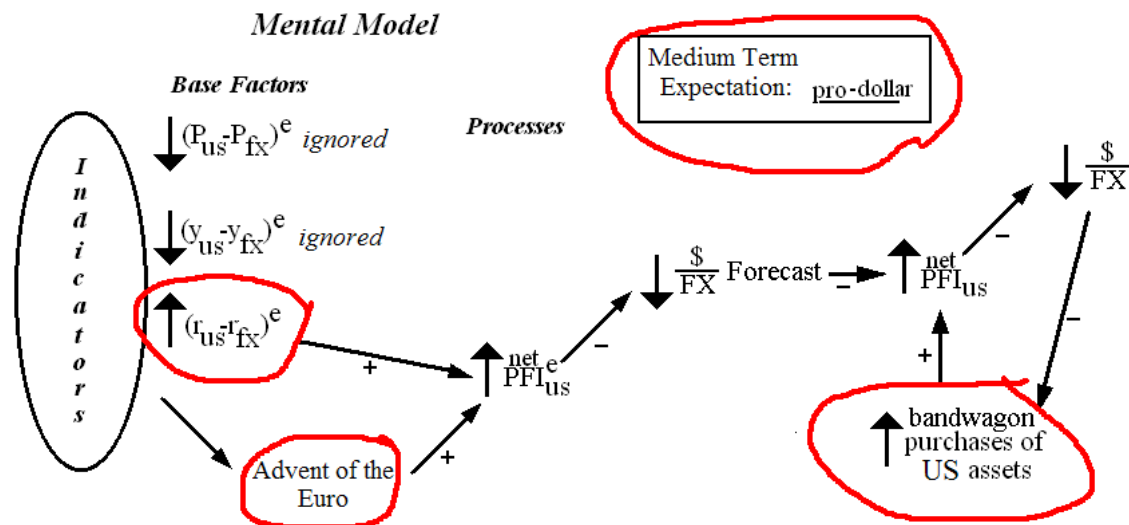
Dollar Reversal (March 1985-April 1995)



Last Days of the Mark (1995-1998)



Euro Decline (1999-2001)



Euro Recovery (2001-2007 or 8)

