

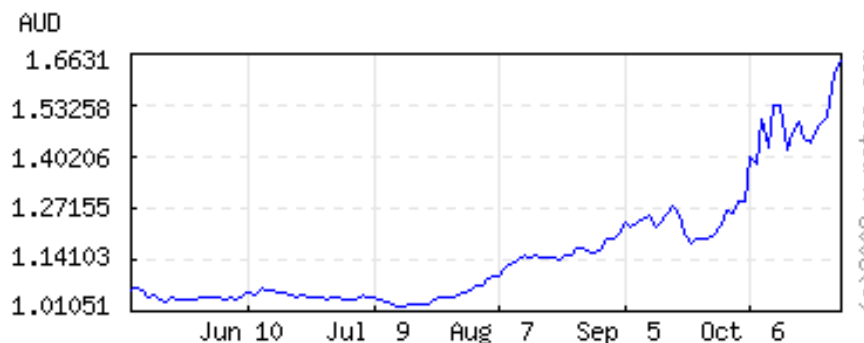
This first set of Graphs is the US Dollar against the Aussie Dollar – on the left you will see the incredible falls of late – to a new low of just over 60 cents. This is a fall of nearly 40c from it's high – and now over 20 cents from where most importer's expected longer term – and did their stock costings...

The graph on the right is the same information inverted – showing the massive increase in cost this means to an importer – it shows you that a near 40 cent fall in the dollar represents a near 66% increase in costs – and even the 20 cent drop from a costing of 80cents represents an increase in costs of around 33%.

latest (Oct 27) 0.607301 lowest (Oct 27) 0.607301 highest (Jul 15) 0.979701



latest (Oct 27) 1.64663 lowest (Jul 15) 1.02072 highest (Oct 27) 1.64663



A scaled version has happened with the Euro – falling from a high of 62 to a low under 50 with many costings around 57 cents– an approx 20% increase.

latest (Oct 27) 0.487949 lowest (Oct 10) 0.484819 highest (Jun 4) 0.621565



latest (Oct 27) 2.0494 lowest (Jun 4) 1.60884 highest (Oct 10) 2.06263



Almost all Asian Origin imports are paid in US Dollars; along with American and many other countries; with the majority of European imports in Euros. The cost of paying for imported goods has increased dramatically. The cost of manufacturing in China has risen steadily this year; and some freight costs have increased dramatically. Prices however during 2009 largely did not increase – as they were offset by previous gains in currency. This can no longer happen.

Large increases in imported goods costs will be passed on. The timing will be dependant on the individual payment strategies of companies (hedging etc) and their abilities to offset. Some have had to already act – passing on across the board increase of around 20%. Others have stock to last them in to Christmas.

If our currency maintains these lows – prices will increase dramatically. I encourage you to consider and discuss and major capital style purchases urgently.