

# KING \$ DOLLAR

Over the past month or so, the U.S. Dollar has been making an interesting move. The graphs below provide a snapshot of how various assets and currencies have been responding with the dollar movement. On the currency front, since early May the Euro has depreciated against the dollar 7%; the Japanese Yen, since mid July has lost 5% of its value. America's increased energy output - at least for the moment - has put a lid on rising petroleum costs. Brent crude is down 15% in the past 90 days and the Bloomberg Commodity Index has declined sharply since May. The United States advocates a Strong Dollar Policy. "King Dollar," the tagline used by renown economist Sir Larry Kudlow who champions a strong dollar agenda. A strong dollar encourages foreign investment; helps keep U.S. inflation in low as global goods and services cost less; it encourages investors to buy treasuries (for both safety and yield), in turn, curtailing interest rates and supports domestic asset values. King Dollar remains the undisputed reserve currency of the world.

