

Theme Comment

- The US GDP report was quite a surprise yesterday as GDP was revised down to 3.0% from 3.2% while consumption was revised slightly down to 3.5% from 3.6%. The trade deficit and weaker consumption – despite upward revised retail sales – was enough to send GDP 0.2%-points lower. Stocks, however, did not seem to care one bit about the lower growth number despite the fact that stocks are currently priced for +3% GDP growth going forward.
- Yesterday's fib level was no problem for the S&P 500 index and we are now closing in on the 200DMA again. Watch out for the combination where the index closes above 200DMA today and also opens above on Tuesday (Monday is Memorial Day).
- Unless we see some very surprising macro numbers today we cannot help but feel that sentiment will be the driver today – especially in light of yesterday's non-event.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
SZ	09:30	KOF Swiss Leading Indicator (MAY)		2.02	1.99
US	12:30	Personal Income / Spending MoM (APR)	0.3% / 0.3%	0.4% / 0.3%	0.3% / 0.6%
US	13:55	U. of Michigan Confidence (MAY F)		73.3	73.3

FX	Daily stance	Comment
EURUSD	0/+	Buy at the break of 1.2334 targeting 1.2381. S/L below 1.2316.
USDJPY	0/+	Buy around 91 and target 91.35. Stop below 90.82.
EURJPY	0	Buy at the break of 112.66 targeting 113.22. S/L below 112.48.
GBPUSD	0/+	Buy on dips towards 1.4540 and target 1.4600. Stop below 1.4520.
AUDUSD	0/-	Sell on rallies towards 0.8545 and target 0.8500. Stop above 0.8562.
USDCAD	0/	Buy on dips towards 1.0474 and target 1.5000. Stop below 1.0463.

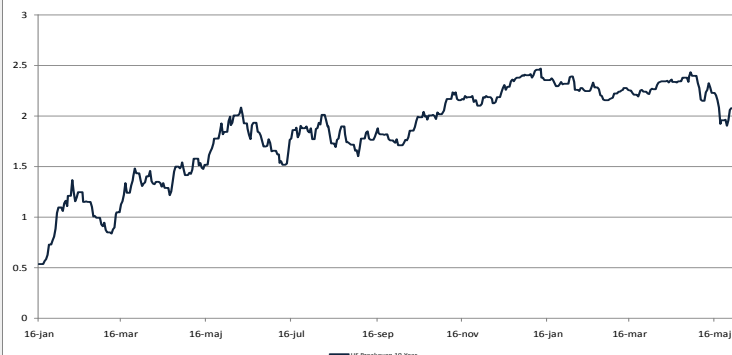
FX-Options	Comment
EURUSD	Vols a touch higher and market is once again bid for EUR puts. US name was seen buying Friday 1.20s. Asian session also saw some buyers of 1m 1.19 EUR puts.
USDJPY	Vols eased with spot holding above 90. Vega and also downside gamma bid. Some overnight 9050-9100 strikes traded in the market .
AUDUSD	Vols continue to be extremely spot sensitive. Risk reversals are holding firmly and unless we break above 8350, gamma is unlikely to come off much further.

Equities	Daily stance	Comment
DAX	0/+	Buy at the break of 5972 targeting 6010. S/L below 5955.
FTSE	0/+	Buy at the break of 5225 targeting 5265. S/L below 5210.
S&P500	0/+	Buy at the break of 1104 targeting 1114. S/L below 1100.
NASDAQ100	0/+	
DJIA	0/+	

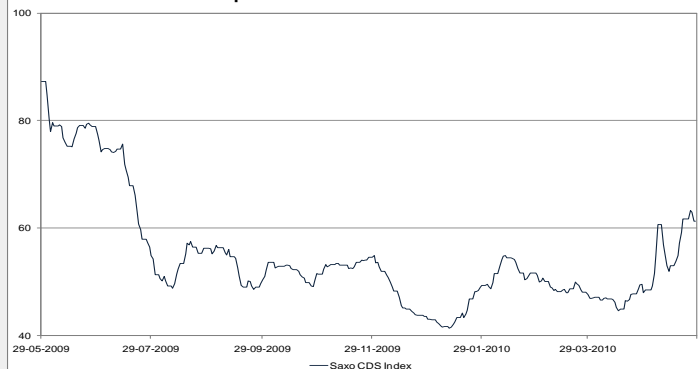
Commodities	Daily Stance	Comment
Gold	0/	Range trading. Buy/Sell at the break of 1217/1210, Target: 1224/1202. S/L: 1215/1212
Silver	0/	Range trading. Buy/Sell at the break of 18.55/18.43, Target: 18.66/18.29. S/L: 18.50/18.47
Oil (CLNO)	0/+	Buy at the break of 74.95 targeting 75.40. S/L below 74.70.

Earnings Releases

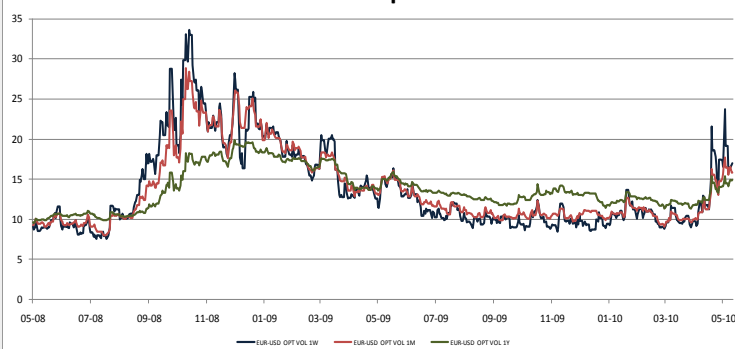
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
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US Breakeven 10 Year


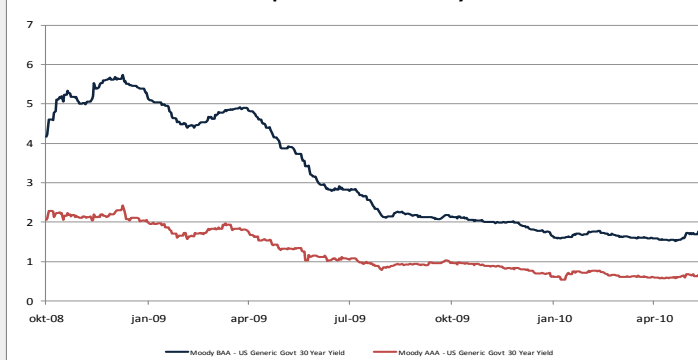
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index


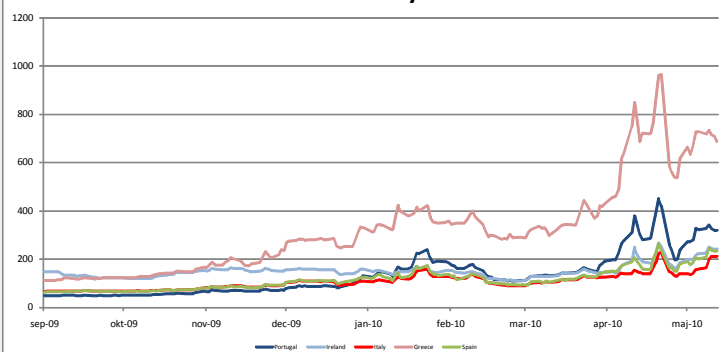
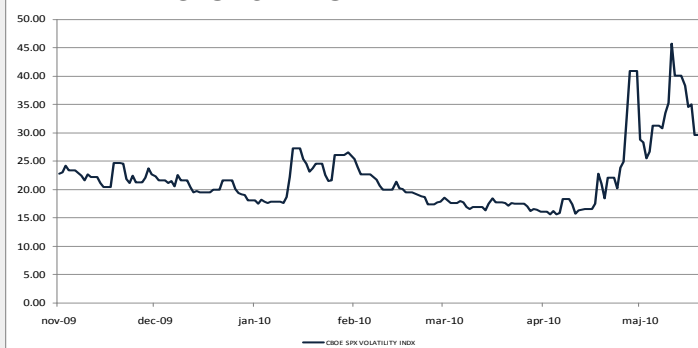
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 61.**

EURUSD Opt. Vol.


Volatility at different time horizons. Too low, now?

AAA and BAA Corporate Bonds vs. 30yr US Treasuries


Spreads are easing, but still **showing tight corporate debt markets.**

PIIGS CDS 5 year

CBOE SPX VOLATILITY INDEX


The VIX Index is **now at 29.68** (prev. close at 35.02).

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