

Theme Comment

- The EUR is bouncing and even EURCAD looks like it is stabilizing. The VIX is edging lower and now trades at the lowest level in more than 3 weeks.
- US Retail Sales on Friday were very disappointing, but market sentiment seems to be improving (from almost record bearish) in the past weeks. We therefore believe that a further bounce in risk is likely and expect to see a test of the 1100-5 level in S&P500 in today's trading. However, we advice to be very cautious and use moderate position sizes. A bounce towards 1150 in the coming week(s) should be sold into as that could be a potential head-and-shoulders.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
SW	08:00	AMV Unemployment Rate (MAY)		4.6%	4.9%
EC	09:00	Industrial Production MoM (APR)	0.8%	0.5%	1.6%
CA	12:30	New Motor Vehicle Sales MoM (APR)		-5.0%	-4.2%

FX	Daily stance	Comment
EURUSD	0/+	Prefer to buy dips down to 1.2150 for a bounce to 1.2225 then 1.2275. Stop below 1.2105
USDJPY	0	Likely to find res above 92.0 for a 91.30-92.0 trading range
EURJPY	0	May struggle to hold gains abv 112.0. Res at 112.25, suppt 111.20-30 lvl
GBPUSD	0/+	Look to buy dips to 1.4600 for a re-test of 1.4660. Stop below 1.4555
AUDUSD	0/+	Break abv 0.8580 would target 0.8625 else stay in a 0.8515-75 range
USDCAD	0	Expect suppt at 1.0295 to hold but rebound seen limited to 1.0370. Break below targets 1.0260

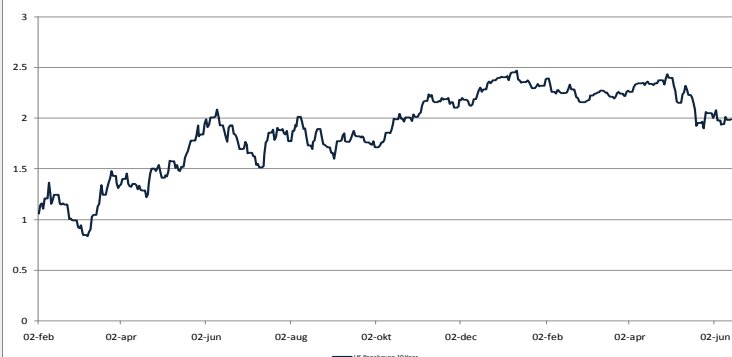
FX-Options	Comment
EURUSD	Friday session was as predicted another day of vol selling, with 1m eurUSD 0.5 vol lower. Also risk reversals pointing less aggressively towards downside, but still trading at high levels, with 1m rr 1.8 vol for eur puts. However market indicating less potential for any further eur collapse.

Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 6056 targeting 6090. S/L below 6040.
FTSE	0/+	Buy on dips towards 5174 targeting 5202. S/L below 5165.
S&P500	0/+	Buy on dips towards 1086 targeting 1102. S/L below 1078.
NASDAQ100	0/+	
DJIA	0/+	

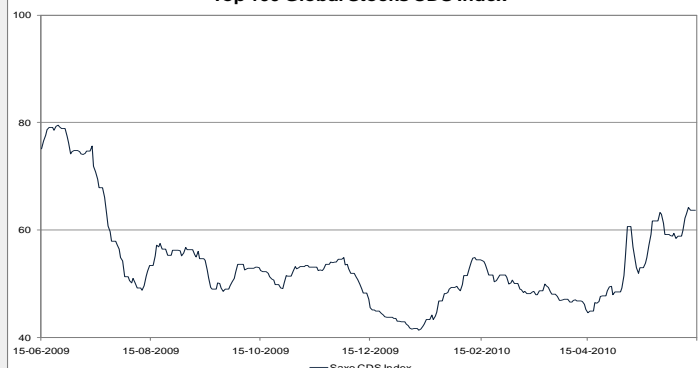
Commodities	Daily Stance	Comment
Gold	0/+	Buy at the break of 1233 and target 1244. Stop below 1228.
Silver	0/+	Buy on dips towards 13.38 and target 13.50. Stop below 18.22.
Oil (CLNO)	0/+	Buy on dips towards 74.30 and target 75.80. Stop below 73.80.

Earnings Releases

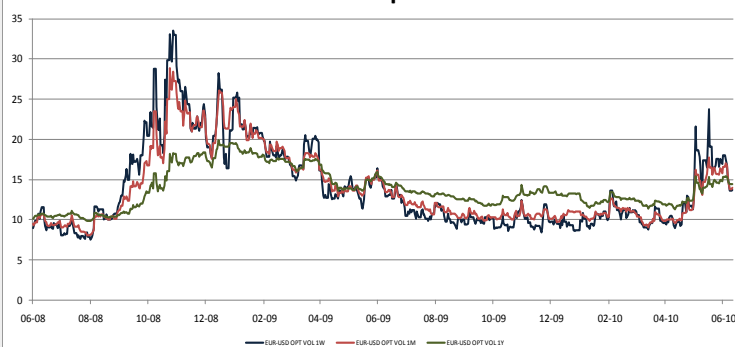
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment

US Breakeven 10 Year


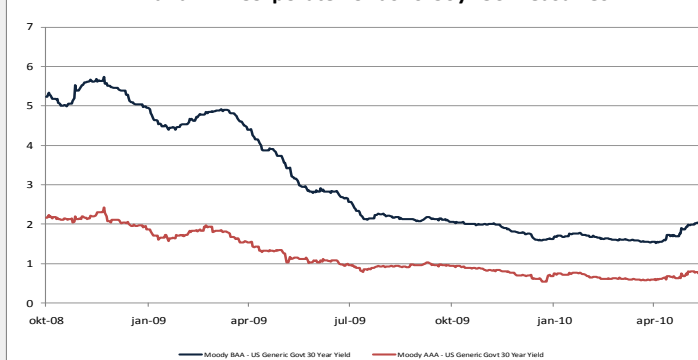
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index


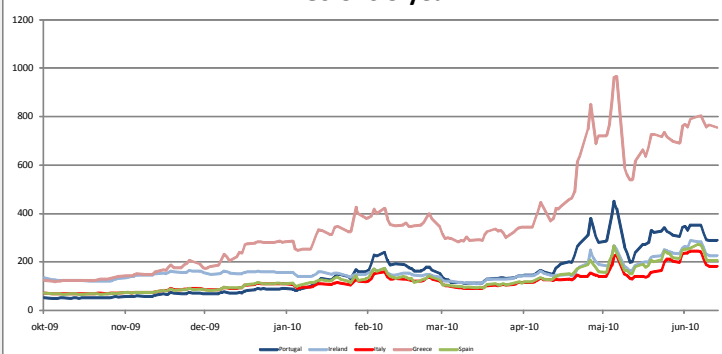
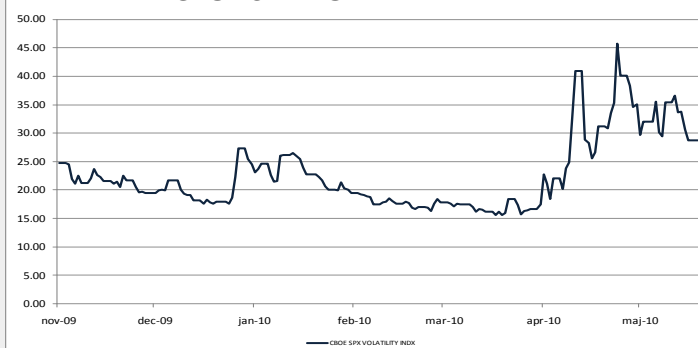
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 64.**

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 28.79** (prev. close at 30.57).

For more trading commentary on [forex and equities](#) go to www.tradingfloor.com or www.saxobank.com

General

These pages contain information about the services and products of Saxo Bank A/S (hereinafter referred to as "Saxo Bank"). The material is provided for informational purposes only without regard to any particular user's investment objectives, financial situation, or means. Hence, no information contained herein is to be construed as a analysis; or an offer to buy or sell; or the solicitation of an offer to buy or sell any security, financial product, or instrument; or to participate in any particular trading strategy in any jurisdiction in which such an offer or solicitation, or trading strategy would be illegal. Saxo Bank does not guarantee the accuracy or completeness of any information or analysis supplied. Saxo Bank shall not be liable to any customer or third person for the accuracy of the information or any market quotations supplied through this service to a customer, nor for any delays, inaccuracies, errors, interruptions or omissions in the furnishing thereof, for any direct or consequential damages arising from or occasioned by said delays, inaccuracies, errors, interruptions or omissions, or for any discontinuance of the service. Saxo Bank accepts no responsibility or liability for the contents of any other site, whether linked to this site or not, or any consequences from your acting upon the contents of another site. Opening this website shall not render the user a customer of Saxo Bank nor shall Saxo Bank owe such users any duties or responsibilities as a result thereof.

Analysis Disclosure & Disclaimer

Risk warning

Saxo Bank A/S shall not be responsible for any loss arising from any investment based on any analysis, forecast or other information herein contained. The contents of this publication should not be construed as an express or implied promise, guarantee or implication by Saxo Bank that clients will profit from the strategies herein or that losses in connection therewith can or will be limited. Trades in accordance with the analysis in an analysis, especially leveraged investments such as foreign exchange trading and investment in derivatives, can be very speculative and may result in losses as well as profits, in particular if the conditions mentioned in the analysis do not occur as anticipated.