

Theme Comment

- Stocks sold off overnight as concerns over Greece came back once again. Moody's downgraded Greece to Ba1 from A3 yesterday meaning that the rating company now views Greek sovereign debt as junk. The S&P fell 1.2% after the close of the European session, so we continue to bounce around in the 1050-1100 area with the 200DMA acting as resistance.
- Monday was very quiet in terms of macro data with EC IP the only thing to get somewhat excited about. Production rose once again, this time by 0.8% (Saxo: 0.8%, consensus: 0.5%) as various PMIs have suggested the last few months (and aided by a weaker EUR).
- Intraday, we expect a bounce back in risk as the equity markets seem to have overreacted to the Greece downgrade.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
UK	08:30	CPI / Core CPI MoM (MAY)	3.3% / 2.8%	3.5% / 2.9%	3.7% / 3.1%
GE	09:00	ZEW – Econ. Sent. / Cur. Situa. (JUN)		42.0 / -15.0	45.8 / -21.6
US	12:30	Empire Manufacturing (JUN)		20.00	19.11

FX	Daily stance	Comment
EURUSD	0/+	1.2190-95 looks key suppt. Below risks 1.2140 else we trade 1.22-1.23
USDJPY	0	Still looks stuck in a 91.30-00 range
EURJPY	0	Break below 111.55 may risk dip to 110.70-80 but still in 110.80-112.20 range
GBPUSD	0/+	Break below 1.4720 risks test of 1.4670 but would buy there for re-test of 1.48. Stop below 1.4620
AUDUSD	0	Look for more consolidation. 0.8540-0.8600 should cover.
USDCAD	0	1.0295-00 still looks key level. Below sees 1.0225 again else we stay 1.0290-1.0350

FX-Options	Comment
EURUSD	Frontend vols continue to drop and summer mode is on. Mkt eagerly sellers of vols in both directions which will only help spot to stay in range waiting for next new headline.
EURGBP	We continue to see buying interest for EUR puts/GBP call targeting 7800 in 2-5 month. Vols have traded at relative low levels for some time now and middle curve RR still favor the upside, so good opportunities if you believe spot will head lower.

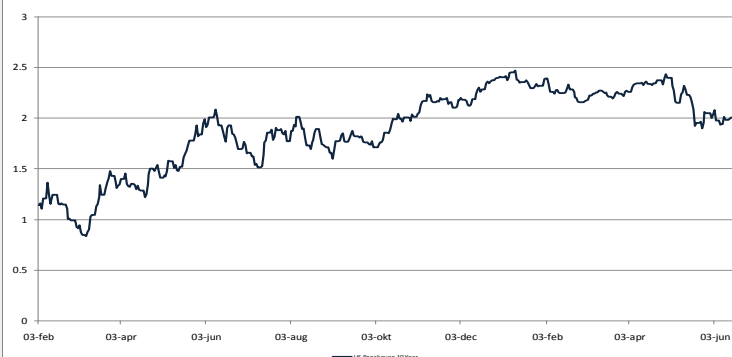
Equities	Daily stance	Comment
DAX	0/+	Buy around 6054 targeting 6100. S/L below 6040.
FTSE	0/+	Buy around 5158 targeting 5200. S/L below 5138.
S&P500	0/+	Buy around 1086 targeting 1096. S/L below 1082.
NASDAQ100	0/+	
DJIA	0/+	

Commodities	Daily Stance	Comment
Gold	0/	Range trading. B/S at the break of 1222/1219 targeting 1226/1215. S/L below/above 1220/1221.
Silver	0/+	Buy at the break of 18.32 targeting 18.40. S/L below 18.30.
Oil (CLN0)	0/+	Buy around 75 targeting 75.40. S/L below 74.85.

Earnings Releases

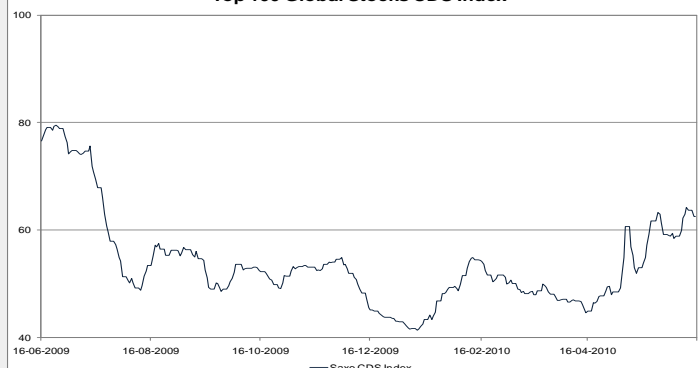
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment

US Breakeven 10 Year



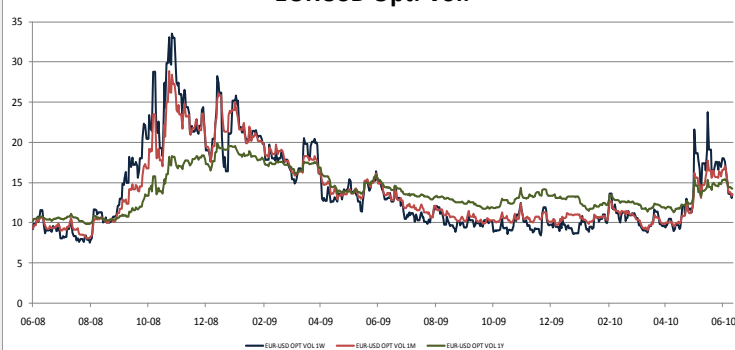
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index



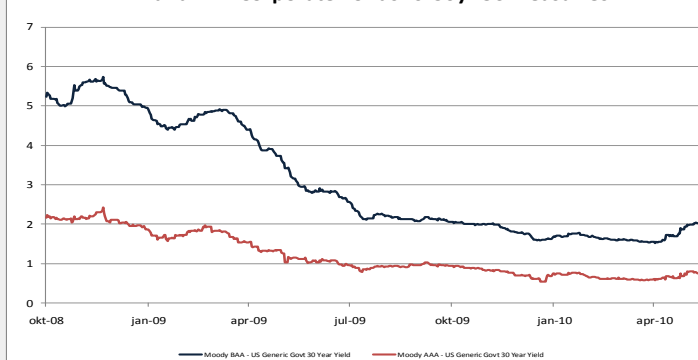
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 63.**

EURUSD Opt. Vol.



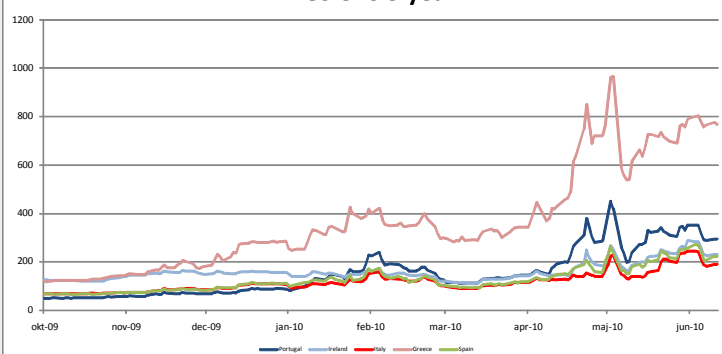
Volatility at different time horizons. Too low, now?

AAA and BAA Corporate Bonds vs. 30yr US Treasuries

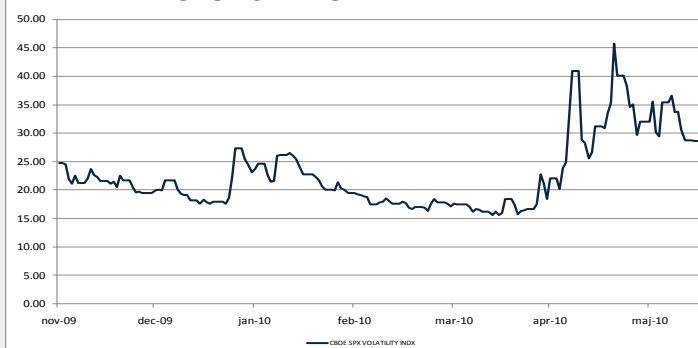


Spreads are easing, but still **showing tight corporate debt markets.**

PIIGS CDS 5 year



CBOE SPX VOLATILITY INDEX



The VIX Index is **now at 28.58** (prev. close at 28.79).

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