

Theme Comment

- The CNY is flying after the PBoC sought for “flexibility” in the exchange rate. All things Asian and commodity related are also higher. China, however, does not want to discuss the CNY in the upcoming G20 meeting.
- We are getting closer to our short-term target of 1150, above which we would sell rallies. We fear that this is the right shoulder in a big head-and-shoulders formation in S&P500 and that the trend in stocks will be declining towards the end of the year.
- Gold is making new highs and it looks like it is a buy on dips as long as it stays above 1250.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
JN	07:00	Convenience Store Sales YoY (MAY)			-3.7%
SZ	07:00	SNB publishes Monthly Bulletins			
EC	14:30	Trichet speaks to EU Parliament Committee			

FX	Daily stance	Comment
EURUSD	0	May struggle past 1.2490 recent high. Expect to range-trade 1.2375-1.2490 for now.
USDJPY	0	90.90-00 looks to be strong res. But suppt now expected at 90.65 so range-trading likely.
EURJPY	0	113.25 the next res. Abv looks to challenge 114.0 but momentum looks to be slowing.
GBPUSD	0	May squeeze up to 1.4960 but likely to still stuck in range. 1.4850-1.4935.
AUDUSD	0	Immed. res at 0.8835-40, may be tough to pass. Suggest 0.8750-0.8840 for today.
USDCAD	0	Break below 1.0110 would trigger rush to 1.00 again. Res now 1.0225.

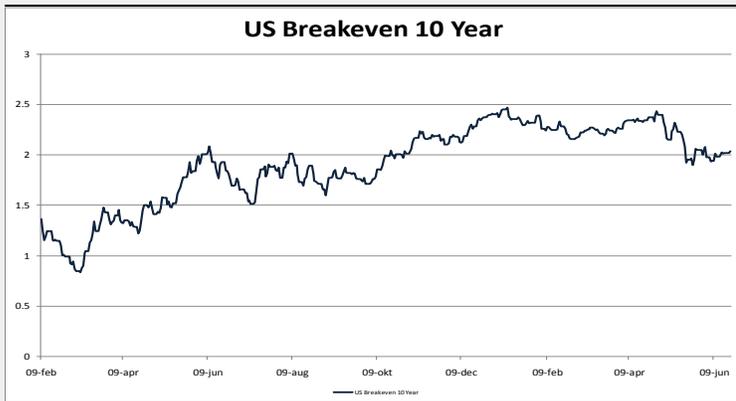
FX-Options	Comment
EURUSD	Vols better bid this morning as spot trades to 1.2490 high on the Sydney open. While ranges have narrowed since, we should see some pressure on front end in early Europe.
USDJPY	Vols slightly higher given the news surrounding the CNY. This morning's USDCNY fixing remains unchanged but vols are not seeing aggressive sellers just yet.
AUDUSD	Vols opened higher as spot gaps up on the opening. 1m traded to 14.9%, up from 14.4% on Friday but front end should start coming under pressure given the narrow spot range.

Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 6256 targeting 6307. S/L below 6235.
FTSE	0/+	Buy on dips towards 5293 targeting 5330. S/L below 5280.
S&P500	0/+	Buy on dips towards 1125 targeting 1131. S/L below 1122.
NASDAQ100	0/+	
DJIA	0/+	

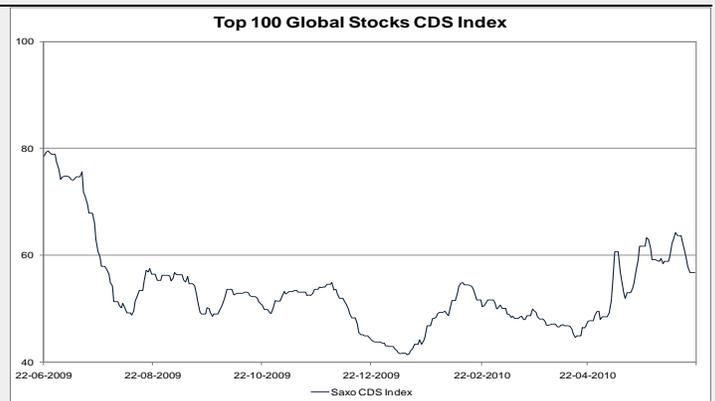
Commodities	Daily Stance	Comment
Gold	0/+	Buy on dips towards 1252 and target 1264. Stop below 1249.
Silver	0/+	Buy on dips towards 19.20 and target 19.44. Stop below 19.12.
Oil (CLNO)	0/+	Buy on dips towards 78 and target 79.50. Stop below 77.40.

Earnings Releases

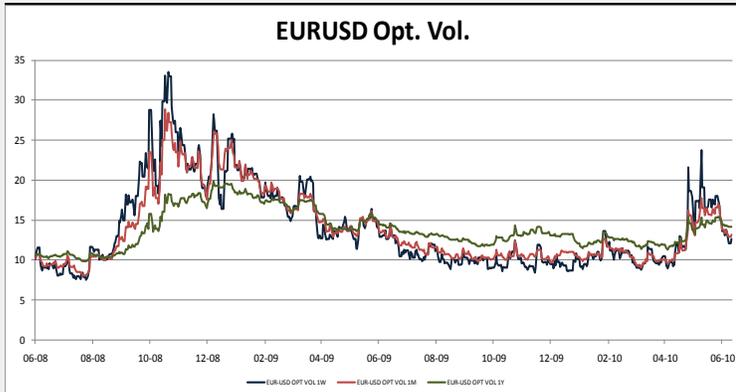
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment



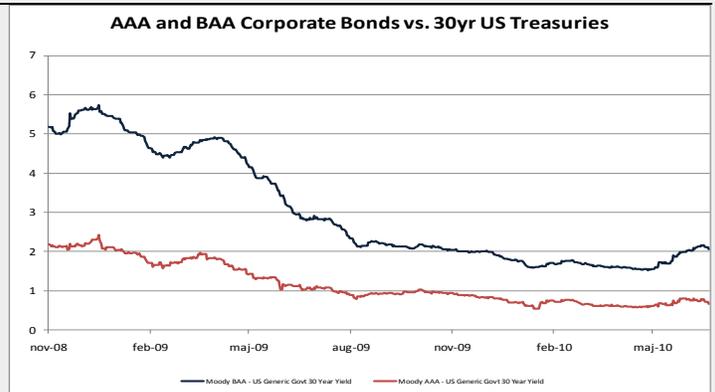
USD breakeven 10 Year – an expression for measuring inflation expectations.



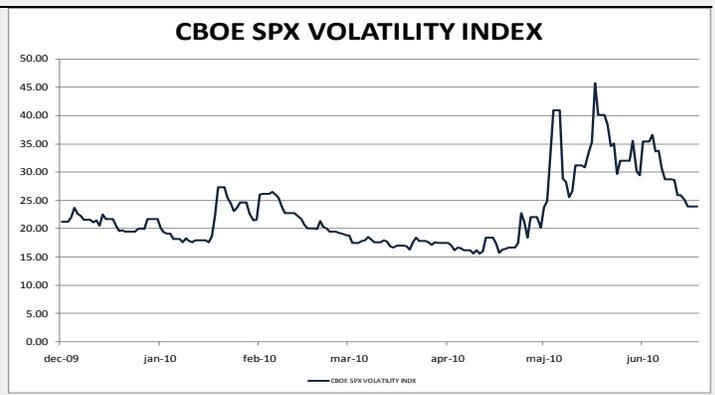
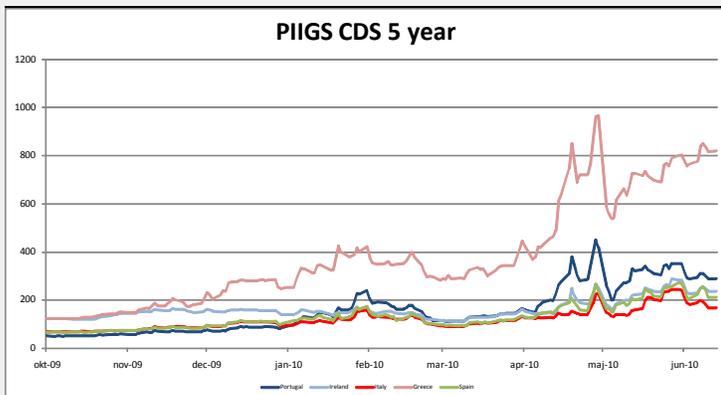
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 57.**



Volatility at different time horizons. Too low, now?



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



The VIX Index is **now at 23.95** (prev. close at 25.05).

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.