

Theme Comment

- USDCNY rallies again to almost unchanged from last week, but the 12 month NDF stays low, so the market is only discounting “action” on a longer horizon and not in a matter of weeks. Gold and other commodities got hit by a come-back in the USD as the CNY story was shrugged off by the market.
- Watch out for IFO figures in Germany today. The consensus looks for another slight decline as the European debt crisis weighs on sentiment in Europe. However, a potential upside risk to the consensus call is the weaker EUR.
- Existing Home Sales for May will be out today and analysts are in complete disagreement as forecasts range from -9.9% MoM to 12.7% (Saxo: 5%, consensus median: 6%). We expect another increase as buyers of *existing* homes still have time to finalize as indicated by pending home sales, which increased 6% in April.

Economic Data Releases

| Country | Time (GMT) | Name | Saxo | Consensus | Prior |
|---------|------------|--|-------------|--------------|--------------|
| GE | 08:00 | IFO – Busi. Climate/Curr. Assessment (JUN) | | 101.2 / 99.8 | 101.5 / 99.4 |
| CA | 11:00 | CPI / CPI Core YoY (MAY) | 1.2% / 1.6% | 1.3% / 1.7% | 1.8% / 1.9% |
| US | 14:00 | Existing Home Sales MoM (MAY) | 5.0% | 6.0% | 7.6% |

| FX | Daily stance | Comment |
|--------|--------------|--|
| EURUSD | 0/- | Look to sell any rebound near 1.2320-30 for a test of 1.2240. Stop abv 1.2385. |
| USDJPY | 0 | Break below 90.80 risks 90.50 else we stay 90.80-91.30 range. |
| EURJPY | 0 | May find suppt at 111.25 after break of 111.85. Generally ranging 111.35-112.35. |
| GBPUSD | 0/- | Seen capped at 1.4765 for a test of 1.4685, then 1.4650. stop abv 1.4795. |
| AUDUSD | 0/- | Expect to close gap down to 0.8725. After that ranging 0.8725-0.8775. |
| USDCAD | 0 | Break back abv 1.0225 suggests we extend to 1.0275. Range 1.02-1.0275. |

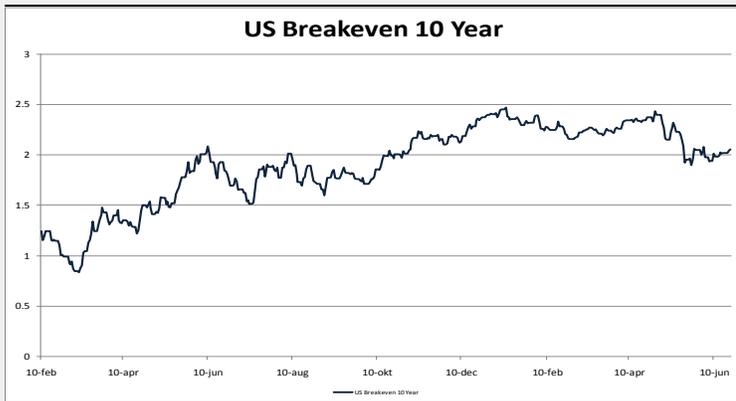
| FX-Options | Comment |
|------------|--|
| EURUSD | Vols turn better bid in NY session and with spot testing under 1.23 in Asia, vols should firm slightly at the European open. |
| USDJPY | Vols have more room to drop as spot remains stubbornly rangebound. Very little directional activity in the brokers along with general risk appetite returning. |
| AUDUSD | Spot traded as high as 8930 during the revised CNY fixing today but ranges have narrowed and gamma sellers continue to put pressure on front end vols. |

| Equities | Daily stance | Comment |
|-----------|--------------|--|
| DAX | 0/- | Sell on rallies towards 6280 targeting 6240. S/L above 6295. |
| FTSE | 0/- | Sell on rallies towards 5283 targeting 5257. S/L above 5295. |
| S&P500 | 0/- | Sell on rallies towards 1118 targeting 1112. S/L above 1122. |
| NASDAQ100 | 0/- | |
| DJIA | 0/- | |

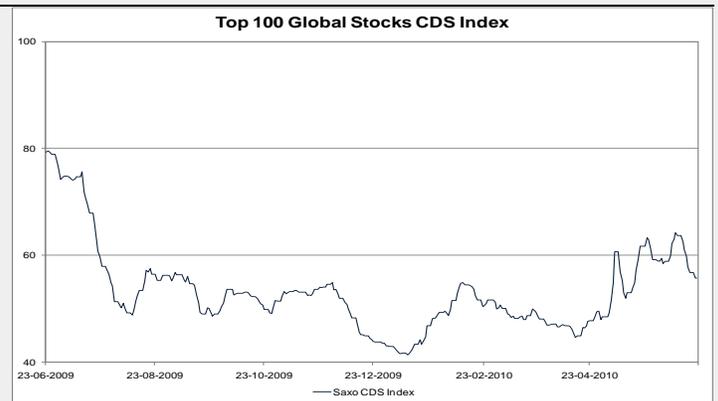
| Commodities | Daily Stance | Comment |
|-------------|--------------|--|
| Gold | 0/+ | Buy on dips towards 1233 and target 1247. Stop below 1229. |
| Silver | 0/- | Sell at the break of 18.64 and target 18.40. Stop above 18.70. |
| Oil (CLN0) | 0/- | Sell at the break of 76.88 and target 75.60. Stop above 77.00. |

Earnings Releases

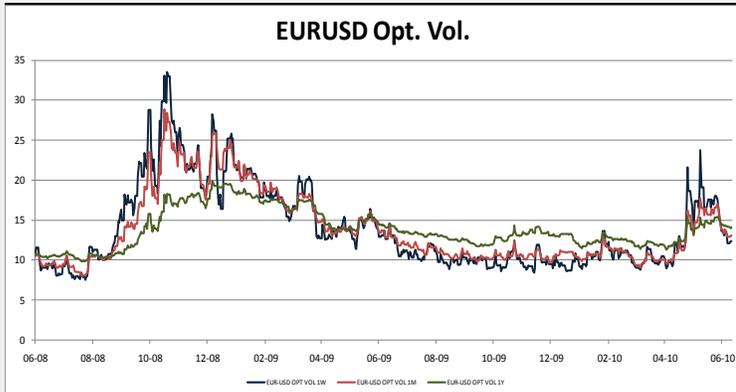
| Country | Time (GMT) | Name | EPS exp. | EPS prior | Comment |
|---------|------------|------|----------|-----------|---------|
| | | | | | |



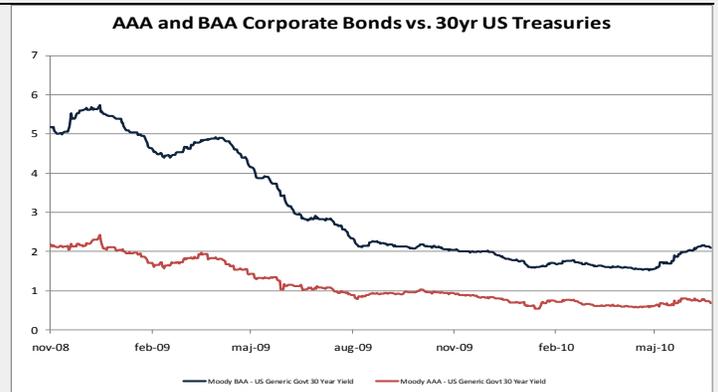
USD breakeven 10 Year – an expression for measuring inflation expectations.



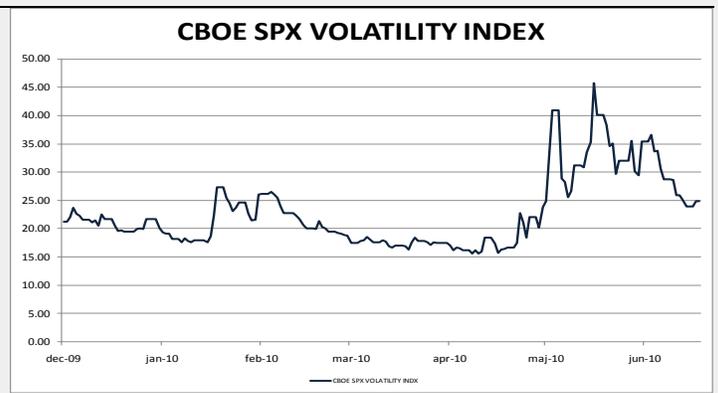
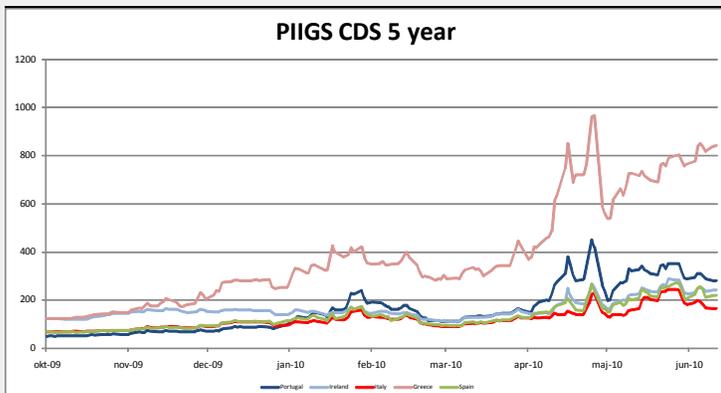
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 56.**



Volatility at different time horizons. Too low, now?



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



The VIX Index is **now at 24.88** (prev. close at 23.95).

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