

## Theme Comment

- Greek 2-year yield now again above 2% and the CDS is trading at 928 bps. This indicates a massive distrust in the bail-out package promised by the E-Z countries.
- We again advice our clients not to invest in bank shares in Western markets.
- Kevin Rudd has resigned and Julia Gillard replaces him. AUD is higher, probably since Gillard is regarded as soft on the planned 40% mining tax. Mining companies are up about 1.3% in the ASX.
- The Fed kept the “extended period” sentence and worried about the debt burden in Europe.
- Watch out for the E-Z New Orders and the US Durable Goods Orders today – they will probably set the tone after the worst New Home Sales in five decades yesterday.

## Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
EC	09:00	Industrial New Orders MoM (APR)		1.6%	5.1%
US	12:30	Durable Goods Orders / ex. Trans. MoM (MAY)	1.0% / 0.5%	-1.4% / 1.0%	2.8% / -1.1%
US	12:30	Initial / Continuing Jobless Claims		463K / 4550K	472K / 4571K

FX	Daily stance	Comment
EURUSD	0	1.2350-60 looks crucial to contain gains. Abv risks 1.2425 else stuck 1.2270-1.2350.
USDJPY	0/-	A break below 89.75 would target 89.0 else stay in 89.75-90.35 range.
EURJPY	0	Risk we slide to 110.0 psychological suppt but generally still in 110.0- 111.50 range.
GBPUSD	0	Rally may run out of steam when we hit 1.50. Expect 1.4950-1.5025 range. Await developments.
AUDUSD	0/-	While holding below 0.88 expect to squeeze down to 0.8680-00 area before next bounce.
USDCAD	0	Suppt now edging up to 1.0340-60 window for push to 1.0460 again. Stop below 1.0305.

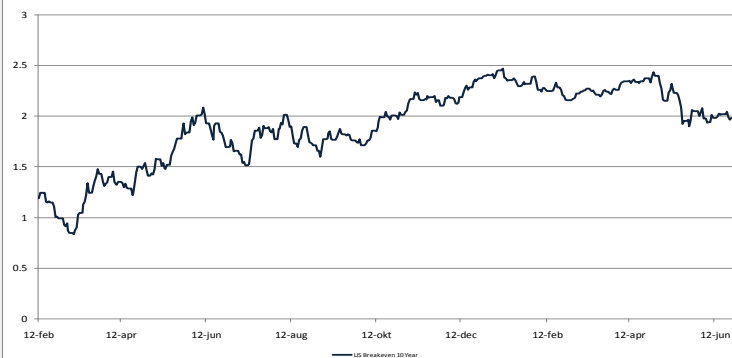
FX-Options	Comment
EURUSD	In a dull European session vols were left unchanged and traded softer in NY after the FOMC. Risk reversals were also sold which might translate to firmer spot.
USDJPY	Vols slip slightly but with spot under 9000 it is unlikely that any selling gets overextended given that vols are relatively low.
AUDUSD	Gamma sellers push front end lower. Spot stays between 8740 and 8765 mostly but the risk reversals are finding support from some buying interest in low delta AUD puts.

Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 6216 targeting 6256. S/L below 6195.
FTSE	0/+	Buy on dips towards 5182 targeting 5218. S/L below 5164.
S&P500	0/+	Buy on dips towards 1089 targeting 1097. S/L below 1086.
NASDAQ100	0/+	
DJIA	0/+	

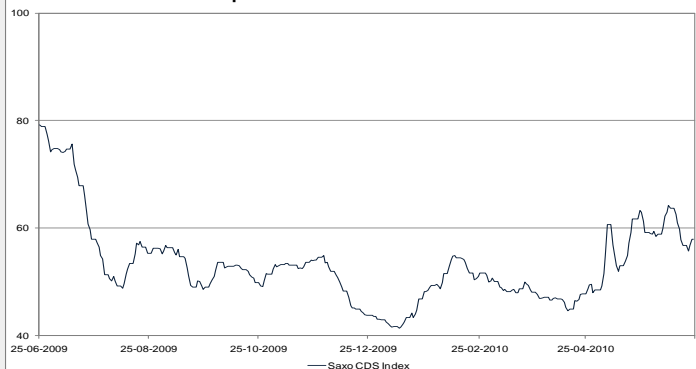
Commodities	Daily Stance	Comment
Gold	0/+	Buy on dips towards 1228 and target 1239. Stop below 1224.
Silver	0/+	Buy on dips towards 18.35 and target 18.55. Stop below 18.28.
Oil (CLN0)	0/-	Sell on rallies towards 77.33 and target 76.00.

## Earnings Releases

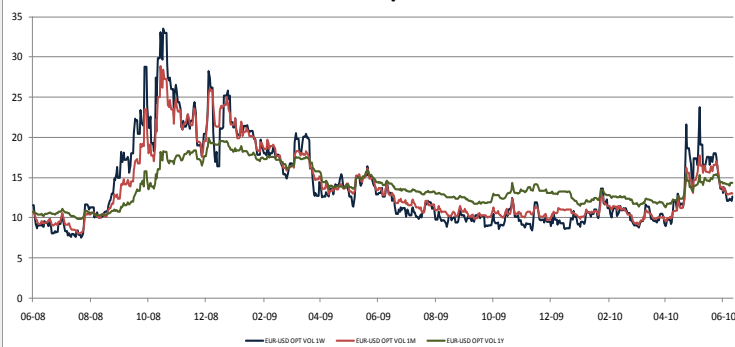
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment

**US Breakeven 10 Year**


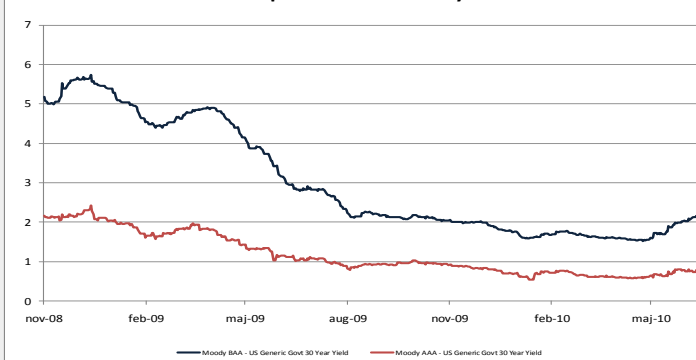
USD breakeven 10 Year – an expression for measuring inflation expectations.

**Top 100 Global Stocks CDS Index**


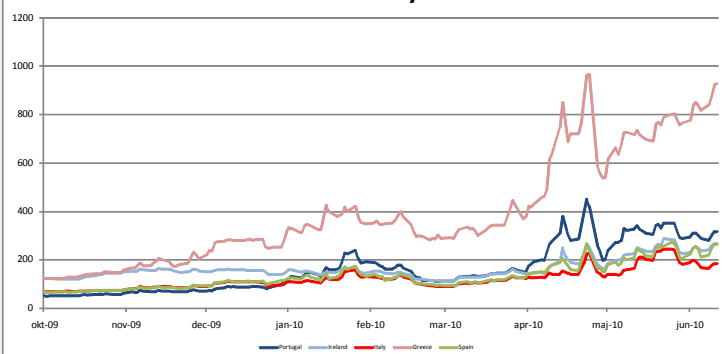
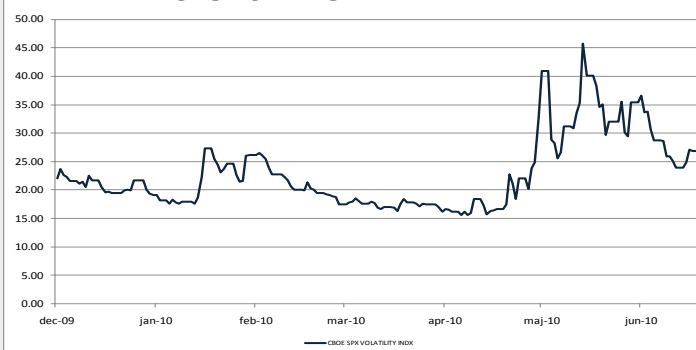
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 57.**

**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 26.91** (prev. close at 27.05).

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