

Theme Comment

- We end the week on a quiet note with only the third estimate of US GDP and the second estimate of Michigan confidence; and consensus does not expect any changes to the two releases. The trade deficit was revised somewhat lower (\$0.4bn) for Marts in April's report, and generally revisions to 1Q-related economic data have been small since the release of the second GDP estimate.
- Risk is once again selling off and the S&P 500 now finds itself almost 4% below the 200DMA. We continue to expect a decline to the 1040-1050 level.
- While attention has turned to other things this week, Greece yields and CDS have quietly, but quickly, increased to more than 10% for the former and 975bps for the latter – with a 1037 high. But fear not, Papandreou still maintains that default is not an option.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
US	12:30	GDP / PCE QoQ (1Q T)		3.0% / 3.5%	3.0% / 3.5%
US	12:30	GDP Price Index/Core PCE Index QoQ (1Q T)		1.0% / 0.6%	1.0% / 0.6%
US	13:55	U. of Michigan Confidence (JUN F)		75.5	75.5

FX	Daily stance	Comment
EURUSD	0/-	Prefer to sell rallies to 1.2375 for push back to 1.2285. Stop abv 1.2415.
USDJPY	0/-	Sell rallies to 89.85 for a retracement back to 89.25. Stop abv 90.23.
EURJPY	0	See suppt at 110.0 holding. Ranging 110.0-111.30.
GBPUSD	0	Look for consolidation abv 1.49. Likely ranging 1.49-1.50.
AUDUSD	0/-	Look to sell any bounce towards 0.87 for a push through 0.86 to target 0.8575. Stop abv 0.8750.
USDCAD	0/+	Still look to buy dips to 1.04 for rebound thru 1.0460, target 1.07. Stop below 1.0370.

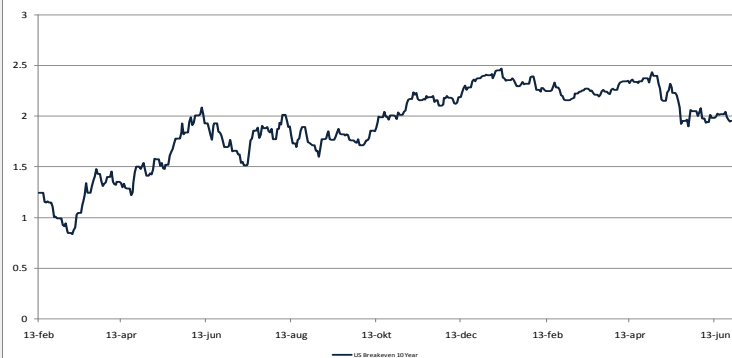
FX-Options	Comment
EURUSD	Despite spot move higher, vols were paid up a touch. Barring a larger move in spot, vols should ease up. Risk reversals are still bid at around 1.5 EUR put over.
USDJPY	Vols have moved higher with the 1Y trading at 14.25 for around 100mio all day. This is up from 14.1 in late NY and gamma is also seeing decent bids.
AUDUSD	Curve moves higher and remains well bid throughout the Asian session. Spot continues to weigh and market is well bid for 3w-1m area low delta downside strikes.

Equities	Daily stance	Comment
DAX	0/-	Sell on rallies towards 6118 targeting 6077. S/L above 6132.
FTSE	0/-	Sell on rallies towards 5117 targeting 5086. S/L above 5132.
S&P500	0/-	Sell at the break of 1070 targeting 1062. S/L above 1075.
NASDAQ100	0/-	Sell at the break of 1836 targeting 1823. S/L above 1843.
DJIA	0/-	Sell at the break of 10119 targeting 10059. S/L above 10136.

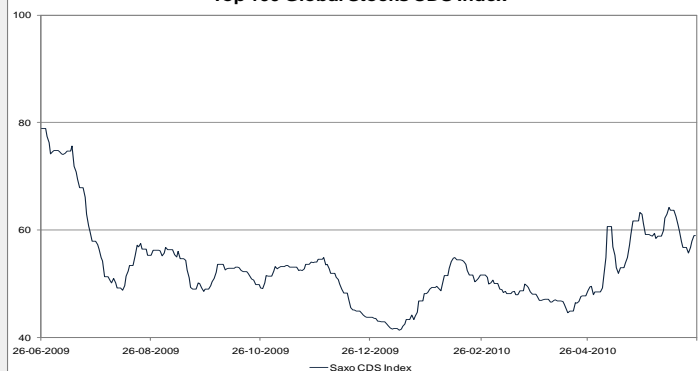
Commodities	Daily Stance	Comment
Gold	0/+	Buy at the break of 1244.50 targeting 1251. S/L below 1242.
Silver	0/+	Buy on dips towards 18.64 targeting 18.79. S/L below 18.1
Oil (CLNO)	0/-	Sell at the break of 76.04 targeting 75.60. S/L above 76.18.

Earnings Releases

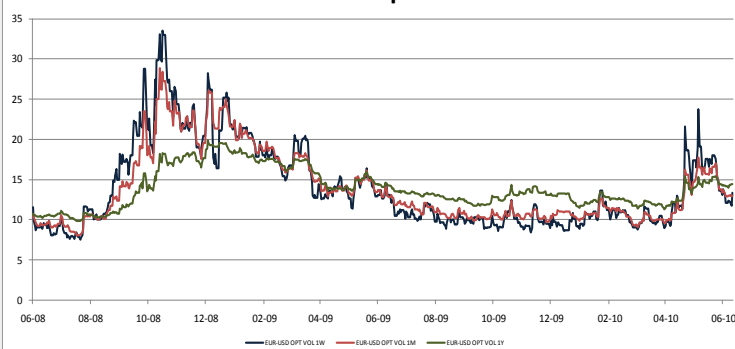
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
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US Breakeven 10 Year


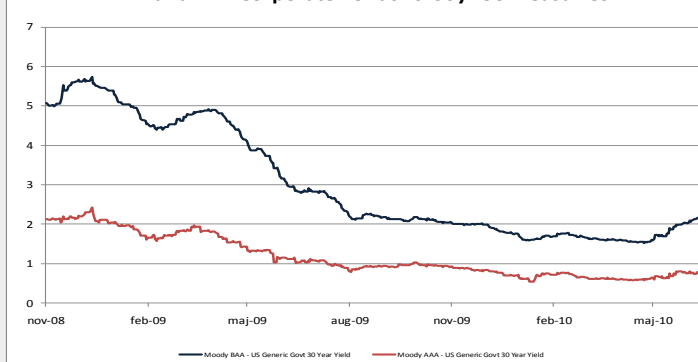
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index


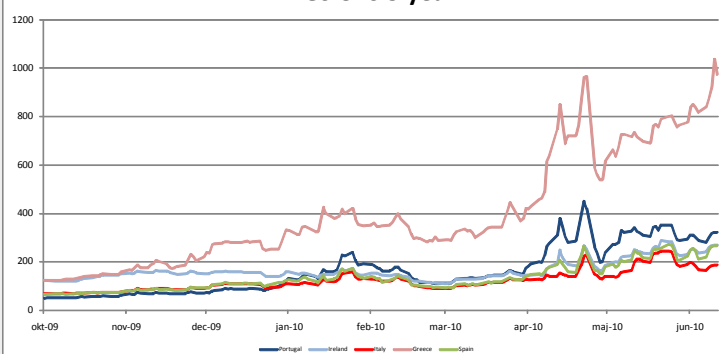
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 57.**

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 29.74** (prev. close at 26.91).

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