

Theme Comment

- Stocks in a really negative mood after the disappointing Consumer Confidence yesterday. S&P500 was closing at the abyss, the 1039 neckline in a giant head-and-shoulders formation. This is really bad news, because it indicates that we could be testing approximately 900 within this year. Intraday, it looks like a bounce in stocks, but such a rally should be sold.
- The EUR is still weakening vs. other European currencies, but it looks like a bottom vs. the commodity currencies.
- The US House has voted on extending the completion deadline for homebuyers that qualify for the tax credit.
- German presidential election today, but the outcome is not certain and Merkel's candidate could be the loser, which would further weaken her government (and the EUR).

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
GE	07:55	Unemployment Change / Rate (JUN)		-30K / 7.7%	-45K / 7.7%
EC	09:00	CPI YoY Flash Estimate (JUN)	1.4%	1.5%	1.6%
US	12:15	ADP Employment Change (JUN)		60K	55K

FX	Daily stance	Comment
EURUSD	0/-	Sell on rallies towards 1.2280 and target 1.2210. Stop above 1.23.
USDJPY	0	Neutral.
EURJPY	0/-	Sell on rallies towards 108.80 and target 108.08. Stop above 109.00.
GBPUSD	0	Sell at the break of 1.50 and target 1.4870. Stop above 1.5030.
AUDUSD	0/-	Sell on rallies towards 0.8575 and target 0.8500. Stop above 0.8600.
USDCAD	0/+	Buy on dips towards 1.05 and target 1.06 Stop below 1.0460.

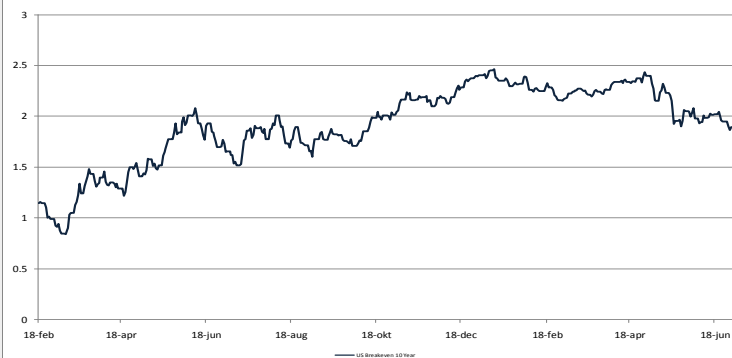
FX-Options	Comment
EURUSD	Concerns escalate in Europe and vol curve moves up around 0.7 and spot dropping 1 figure. Most are looking to buy downside to cover shorts with RR higher.
USDJPY	Risk reversals have moved higher as spot printed under 8830 yesterday. It remains to be seen if this Yen rally extends otherwise gamma would come off the quickest.
AUDUSD	Vols continue to trade higher in Asia as spot fails to rally above 8550. 1m traded up to 17.25, up from 16.9 and market remains nervous and risk reversals failing to ease.

Equities	Daily stance	Comment
DAX	0/-	Sell on rallies towards 5980 and target 5933. Stop above 6005.
FTSE	0/-	Sell on rallies towards 4970 and target 4936. Stop above 4989.
S&P500	0/-	Sell on rallies towards 1052 and target 1042. Stop above 1056.
NASDAQ100	0/-	
DJIA	0/-	

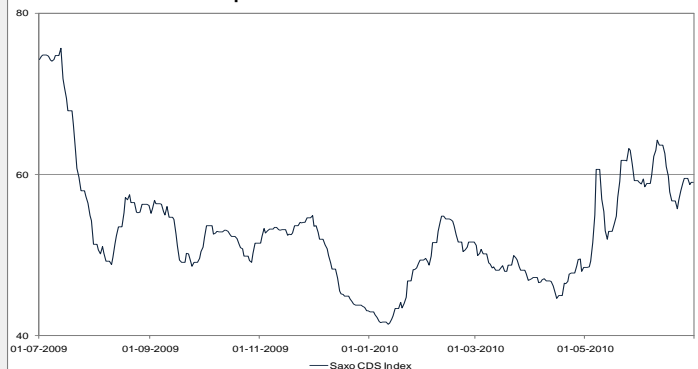
Commodities	Daily Stance	Comment
Gold	0/+	Buy at the break of 1246 and target 1256. Stop below 1241.
Silver	0/+	Buy on dips towards 18.60 and target 18.80. Stop below 18.50.
Oil (CLQ0)	0/-	Sell at the break of 75.00 and target 73.30. Stop above 75.60.

Earnings Releases

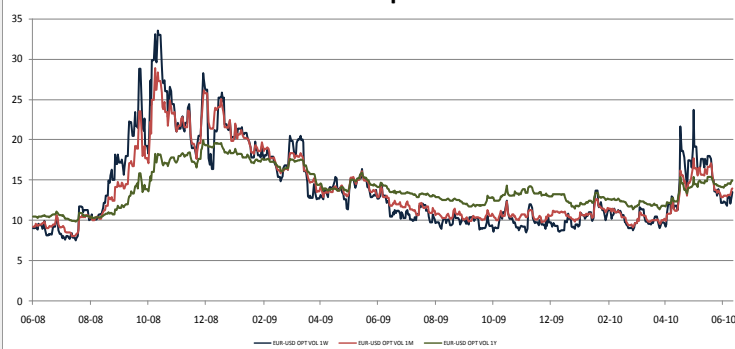
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment

US Breakeven 10 Year


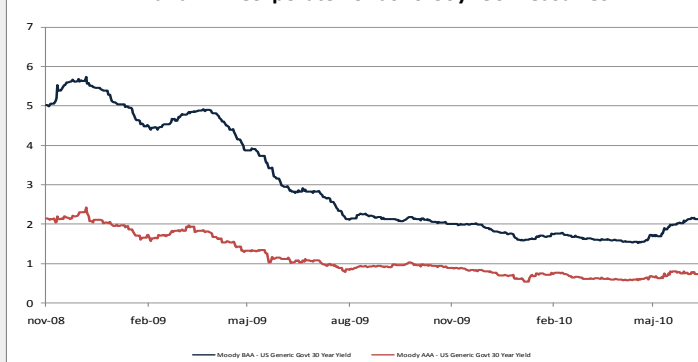
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index


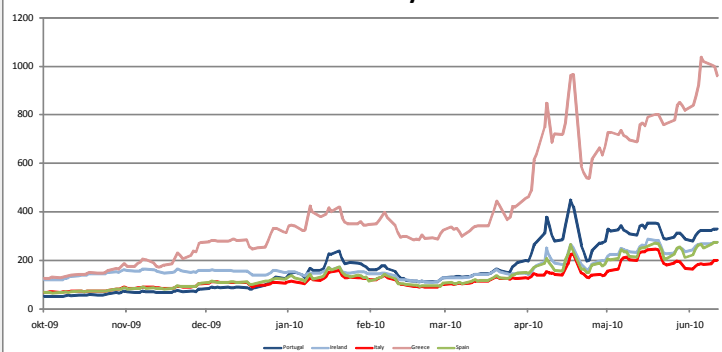
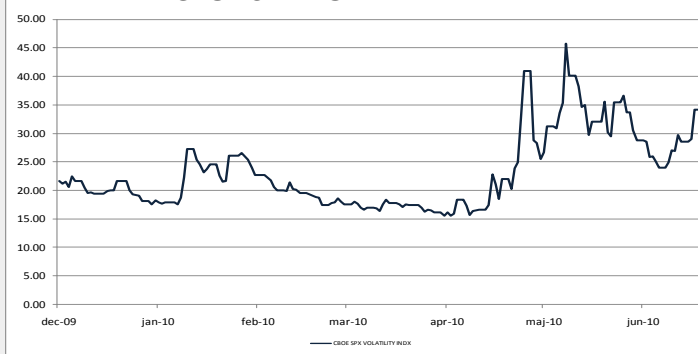
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 59.**

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 34.13** (prev. close at 29.00).

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