

**Theme Comment**

- All eyes are on nonfarm payrolls today as we will see the first decline in total payrolls in six months. However, it is due to the disturbance from the 2010 Census. If we look at private payrolls alone we expect a poor addition of 60K (consensus: 110K). Weekly hours have increased solidly in the last couple of months, but other indicators (ISM, Jobless Claims, etc.) point to a relatively weak number considering that the recession supposedly ended 12 months ago. The unemployment rate is expected to increase and we expect a 0.2%-point jump due to Census dismissals.
- Yesterday's data was generally unimpressive with pending home sales (-30% MoM) plummeting to the lowest level on record! Confirming the second derivative deterioration in US numbers (brown shoot?), the ISM Manufacturing Index slowed down quite a bit to 56.2 from 59.7 – a big decline considering the regional PMIs, which did not drop as much – and jobless claims remain hopelessly elevated (472K).

**Economic Data Releases**

| Country | Time (GMT) | Name  | Saxo        | Consensus    | Prior      |
|---------|------------|---|-------------|--------------|------------|
| US      | 12:30      | Change in Nonfarm Payrolls: Total/Private (JUN) | -180K / 60K | -130K / 110K | 431K / 41K |
| US      | 12:30      | Unemployment Rate                               | 9.9%        | 9.8%         | 9.7%       |
| US      | 14:00      | Factory Orders MoM (MAY)                        | -0.6%       | -0.5%        | 1.2%       |

| FX     | Daily stance | Comment  |
|--------|--------------|--|
| EURUSD | 0/+          | Buy at the break of 1.2540 and target 1.2610. Stop below 1.2520. |
| USDJPY | 0/-          | Sell around 88.00 and target 87.00. Stop above 88.50.            |
| EURJPY | 0            | Neutral.   |
| GBPUSD | 0/+          | Buy on dips towards 1.5120 and target 1.5200. Stop below 1.5090. |
| AUDUSD | 0            | Neutral.   |
| USDCAD | 0            | Neutral.   |

| FX-Options | Comment  |
|------------|--|
| EURUSD     | Big spot range in previous session and vols higher. US Payrolls holding up the front part of the curve for the moment and any reversal in the spot would push vols higher again.   |
| USDJPY     | Yen vols eased back after spot rallied back above 88, taking the steam off recent gains in the vols curve. Gamma seems to be holding ground for now.                               |
| AUDUSD     | Vols ease up slightly as spot manages to hold above 8450 most of the Asian session. The curve seems to hold up here and probably will stay that way until US payrolls later today. |

| Equities  | Daily stance | Comment  |
|-----------|--------------|--|
| DAX       | 0/-          | Sell on rallies towards 5958 and target 5880. Stop above 5992. |
| FTSE      | 0/-          | Sell on rallies towards 4885 and target 4820. Stop above 4911. |
| S&P500    | 0/-          | Sell on rallies towards 1036 and target 1026. Stop above 1040. |
| NASDAQ100 | 0/-          |  |
| DJIA      | 0/-          |  |

| Commodities | Daily Stance | Comment   |
|-------------|--------------|---|
| Gold        | 0/+          | Buy at the break of 1209 and target 1220. Stop below 1240.        |
| Silver      | 0/+          | Buy on dips towards 17.80 and target 18.20. Stop below 17.68.     |
| Oil (CLQ0)  | 0/-          | Sell on rallies towards 74.25 and target 73.00. Stop above 74.85. |

**Earnings Releases**

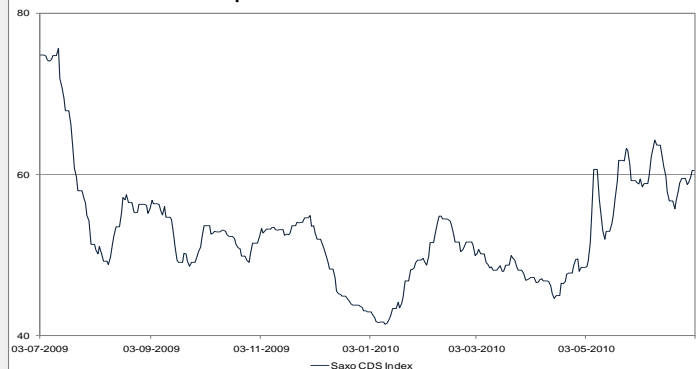
| Country | Time (GMT) | Name | EPS exp. | EPS prior | Comment |
|---------|------------|------|----------|-----------|---------|
|---------|------------|------|----------|-----------|---------|

## US Breakeven 10 Year



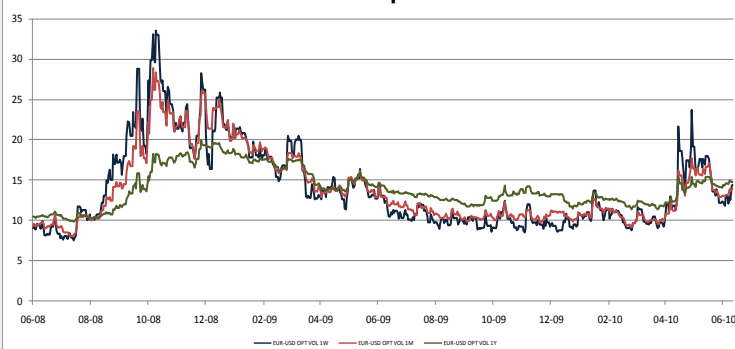
USD breakeven 10 Year – an expression for measuring inflation expectations.

## Top 100 Global Stocks CDS Index



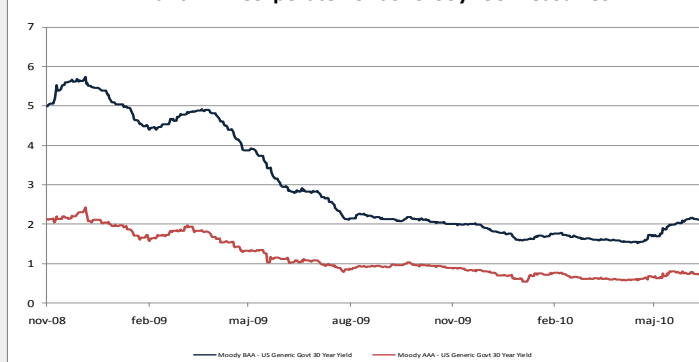
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 60.**

## EURUSD Opt. Vol.



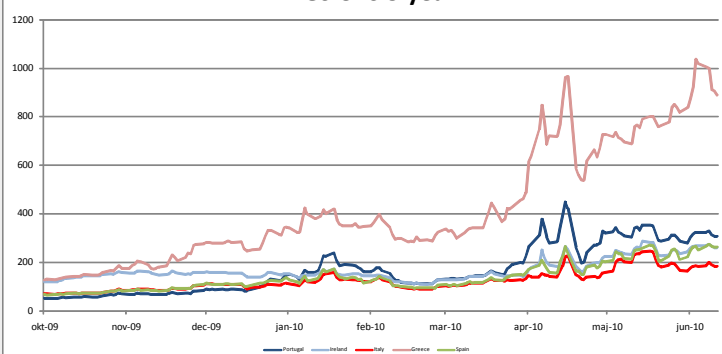
Volatility at different time horizons. Too low, now?

## AAA and BAA Corporate Bonds vs. 30yr US Treasuries

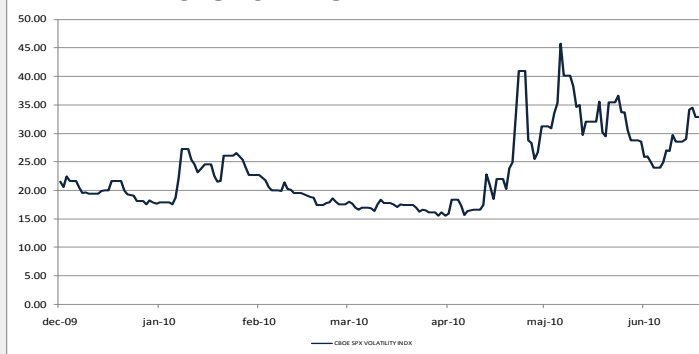


Spreads are easing, but still **showing tight corporate debt markets.**

## PIIGS CDS 5 year



## CBOE SPX VOLATILITY INDEX



The VIX Index is **now at 32.86** (prev. close at 34.54).

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