

## Theme Comment

- The US will observe yesterday's Independence Day today so we expect a range bound session without any major news from either economic data or companies (Alcoa will kick off the earnings season next Monday).
- Eurozone Retail Sales (MAY) is about as exciting as it gets today, and both we and consensus look for a 0.3% increase MoM after the fairly poor -0.9% performance for April. Sales have been very weak in the Eurozone so far in 2010 (-0.6% YTD) and underlines that it is not only the coming government spending cuts that will hamper growth in the region.
- The US labor market report last Friday was nothing to celebrate as only the unemployment rate (9.5% from 9.7%) offered some sort of positive news – though only on the surface (the drop was entirely due to a lower participation rate). Private payrolls were quite weak at 83K (Saxo: 60K, consensus: 110K) while Hourly Earnings (-0.1% MoM) and the leading indicator Weekly Hours declined (34.1 from 34.2). Factory Orders were also very poor at -1.4% MoM.

## Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
EC	08:00	PMI Services / Composite (JUN, final)		55.4 / 56.0	55.4 / 56.0
UK	08:30	PMI Services		55.0	55.4
EC	09:00	Retail Sales MoM (MAY)	0.3%	0.3%	-0.9%

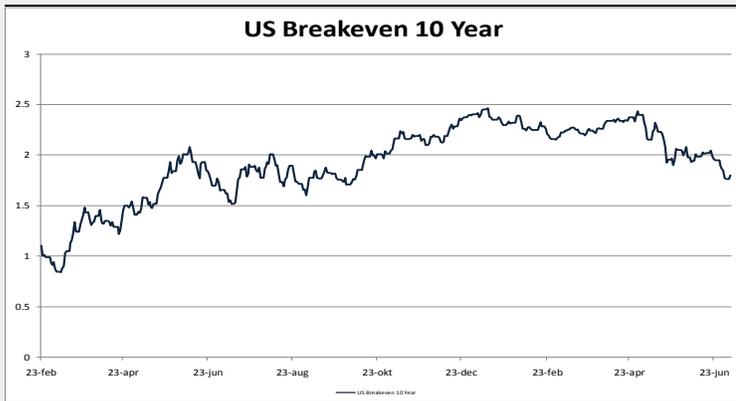
FX	Daily stance	Comment
EURUSD	0	Expect a consolidation day within 1.25-1.2580. Below 1.2480 risks deeper correction to 1.2450.
USDJPY	0/-	Risk of n/term pop to 88.20 but sell there for retracement back to 87.0, stop abv 88.65.
EURJPY	0	Look for further consolidation 109.80 – 110.80.
GBPUSD	0/+	Look to buy dips to 1.5150, stop below 1.5110 for 1.5220 target.
AUDUSD	0	Likely in consolidation 0.8380-0.8450. Similar range to Asia.
USDCAD	0	Expect suppt at 1.0550 to hold for a ranging day 1.0550-1.0625.

FX-Options	Comment
EURUSD	Front end vols moved lower after Friday's payroll number. 1m traded to 13.7% in Asia which is higher than Friday's close of around 13.3%.
USDJPY	Front end eases as spot manages to crawl back towards 8800. There was a 4wk 87/84.5 spread traded 100/leg (buying lower strike) which could hint towards a lower spot.
AUDUSD	Vols slightly higher from Friday's close with gamma in particular seeing good bids. Several downside strikes for <2 weeks getting paid in the brokers.

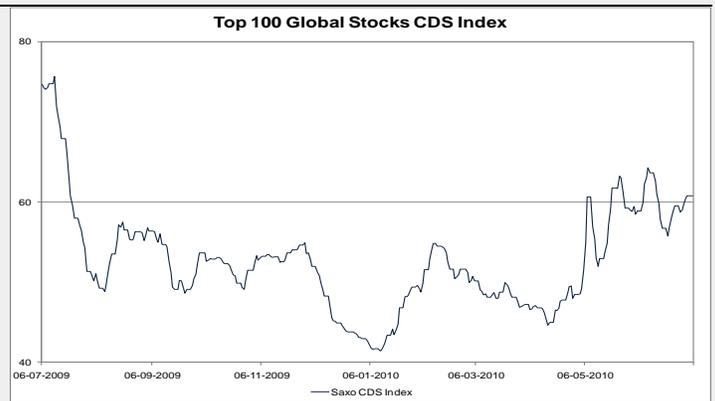
Equities	Daily stance	Comment
DAX	0/-	Sell on rallies towards 5875 and target 5833. Stop above 5897.
FTSE	0/-	Sell on rallies towards 4864 and target 4830. Stop above 4881.
S&P500	0/-	Sell on rallies towards 1029 and target 1024. Stop above 1032.
NASDAQ100	0/-	
DJIA	0/-	

Commodities	Daily Stance	Comment
Gold	0/+	Buy dips to 1,207 for a push to 1,223, stop below 1,196.
Silver	0	17.90 offers n/term res. Expect ranging 17.60-17.95.
Oil (CLQ0)	0	Look for further consolidation 72.30-73.00.

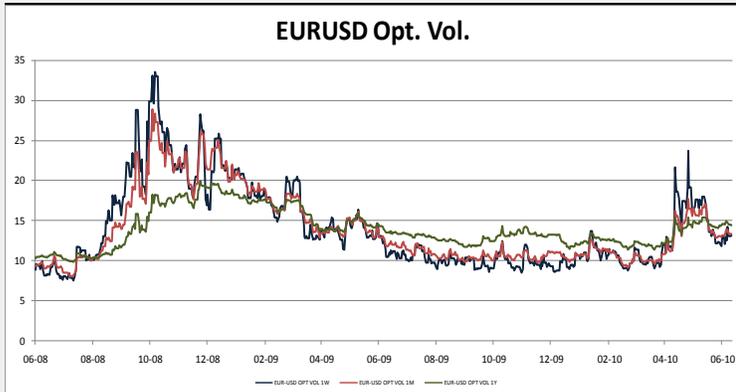
## Earnings Releases



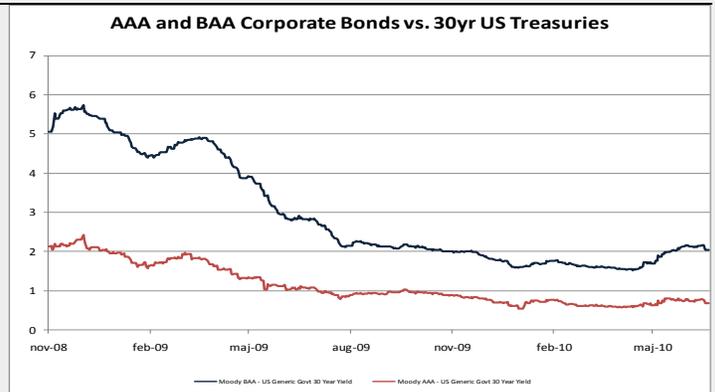
USD breakeven 10 Year – an expression for measuring inflation expectations.



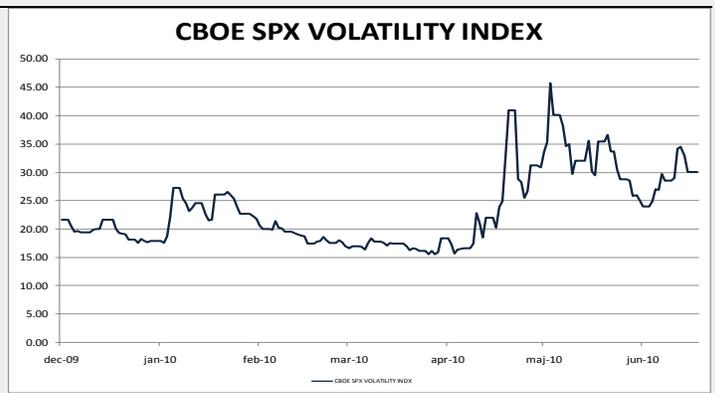
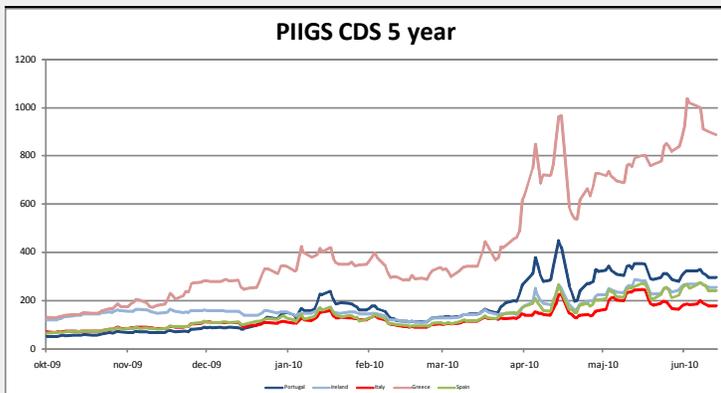
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 61.**



Volatility at different time horizons. Too low, now?



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



The VIX Index is **now at 30.12** (prev. close at 32.86).

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