

## Theme Comment

- The Chinese economy expanded 11.1 per cent in the first half of the year compared to 11.9% one year prior. This indicates a considerable slowdown in the second quarter of the year. The strong prior figures reflected the impact of the huge monetary stimulus that Beijing launched in late 2008 as a result of the global financial crisis. For the second half of the year we expect a further slowdown as external demand will gradually weaken and the dividend from the trade surplus will fall.
- Advance retail sales from the US yesterday was another soft reading from the US economy, but today's earnings from JPMorgan and Google is expected to continue support risk appetite in the overall market rather than risk aversion.
- Look out for industrial production and capacity utilization from the US today.

## Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
US	12:30	PPI MoM/YoY (JUN)	-	-0.1%/3.1%	-0.3%/5.3%
US	12:30	Empire Manufacturing (JUL)	-	18.00	19.57
US	13:15	Industrial Prod. /Capacity Util. (JUN)	-	-0.1%/74.1%	1.3%/74.1%

FX	Daily stance	Comment
EURUSD	0/+	Suppt now in place at 1.2690. Buy dips for a push on 1.2780, stop below 1.2675
USDJPY	0	Look for further consolidation 88.0-88.80
EURJPY	0/+	While holding abv 112.0, expect to rally to 113.20 again. Below risks dip to 111.40
GBPUSD	0/+	Buy dips to 1.5240, or break abv 1.53, for as rush to 1.5360. Stop below 1.52/1.5255 resp.
AUDUSD	0/+	Suppt now at 0.8770. Buy dips for re-test of 0.8860, stop below 0.8745
USDCAD	0/-	Seen capped at 1.0355 for a dip to 1.0250. Break abv targets 1.0460 first

FX-Options	Comment
EURUSD	Some interest in the Friday 1.27 strikes in the market. 11 Aug FOMC date also seeing bids but gamma likely to trade softer once spot drifts back to 1.27 or lower.
USDJPY	Vols better bid today as spot attempts to take out 88.00 support level. 1mth traded at 11% up from 10.75 yesterday and looks well supported with spot at the lows.
AUDUSD	Vols trade a little higher after spot managed to dip below 88. Risk reversals have also found support and 2-3w 87 area strikes are seeing buyers.

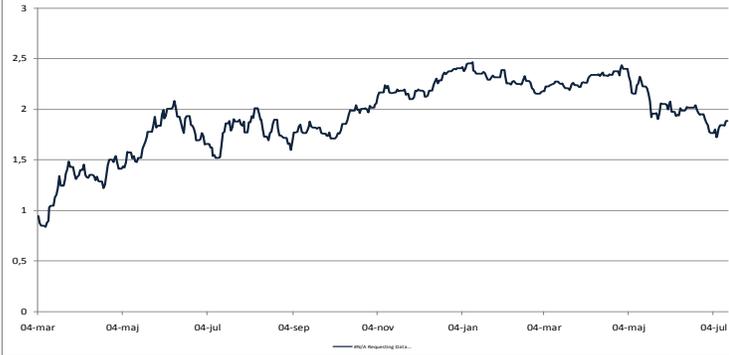
Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 6190 targeting 6222. S/L below 6176.
FTSE	0/+	Buy on dips towards 5236 targeting 5266. S/L below 5223.
S&P500	0/+	Buy on dips towards 1090 targeting 1102. S/L below 1086.
NASDAQ100	0/+	
DJIA	0/+	

Commodities	Daily Stance	Comment
Gold	0	Seems lacking momentum to get past 1,218. Expect a 1,207-1,218 range
Silver	0	Expect further consolidation 18.00-18.50. Await next move either way
Oil (CLQ0)	0	Suppt now coming in at 76.30. Res at 77.30 so look for a ranging session

## Earnings Releases

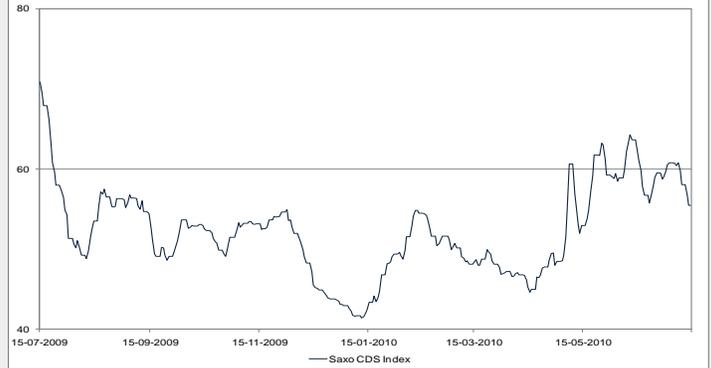
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
US	10:59	JPMorgan	0.709	0.638	
US	20:00	Google	6.521	6.615	

#N/A Requesting Data...



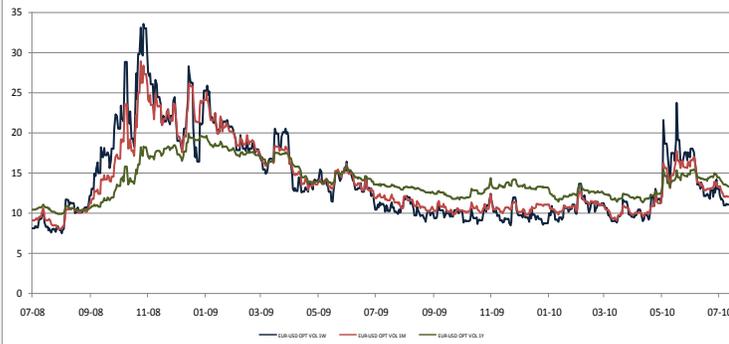
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index



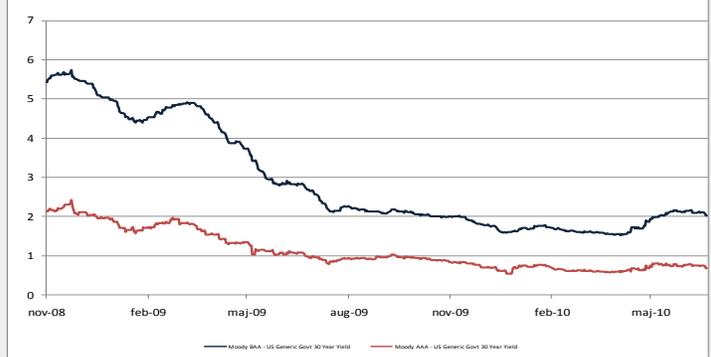
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 55.**

EURUSD Opt. Vol.



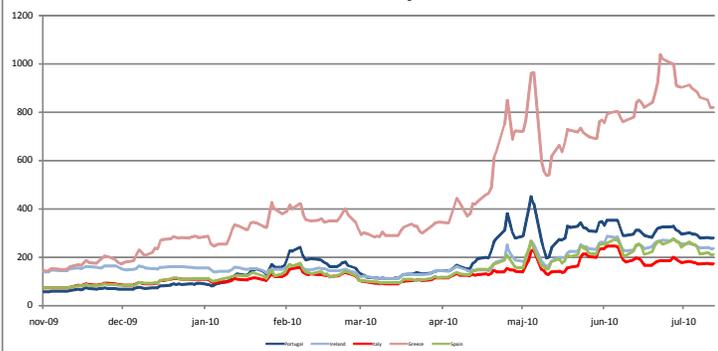
Volatility at different time horizons. Too low, now?

AAA and BAA Corporate Bonds vs. 30yr US Treasuries

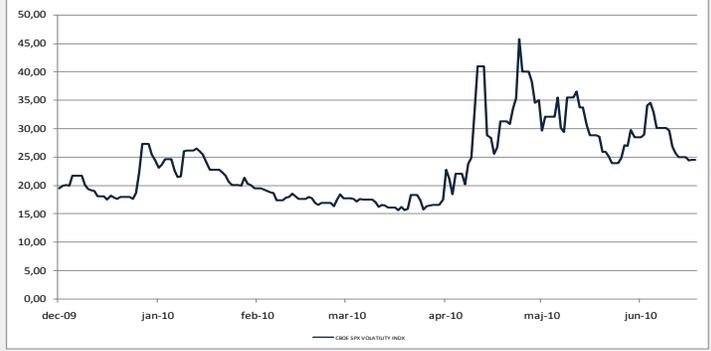


Spreads are easing, but still **showing tight corporate debt markets.**

PIIGS CDS 5 year



CBOE SPX VOLATILITY INDEX



The VIX Index is **now at 24.89** (prev. close at 24.56).

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