

Theme Comment

- US figures were not impressive yesterday with Empire Manufacturing and Philly Fed both somewhat lower than expectations.
- The USD is dropping on this – USD TWI is now down more than 7% since early June. Today's CPI figures could foster some USD strength, though as we think consensus is too low.
- Stocks could gain on that too, so we have a buy-on-dips stance on equities today – also because BofA earnings could be strong after JPM's yesterday.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
CA	12:30	Leading Indicators MoM (JUN)	-	0.7%	0.9%
US	12:30	CPI MoM/YoY (JUN)	-	-0.1%/1.2%	-0.2%/2.0%
US	13:55	U. of Michigan Confidence (JUL)	-	74.0	76.0

FX	Daily stance	Comment
EURUSD	0/+	Buy dips down to 1.2865 for next leg higher to target 1.30, stop below 1.2825
USDJPY	0	Break below 87.0 may stall at 86.70-80 lvl for a rebound back to 87.80
EURJPY	0/+	Expect t/line suppt at 111.80 to contain losses for a bounce to 113.50 again
GBPUSD	0/+	Buy dips to 1.5365 for the next leg higher to 1.5495 again. Stop below 1.5325
AUDUSD	0	0.8860 now a major hurdle. Retracement can extend to 0.8710 but buy there, stop below 0.8670
USDCAD	0/-	Sell rallies to 1.0460 for a retracement back to 1.0385, stop abv 1.05

FX-Options	Comment
EURUSD	Vols under pressure most of the session but bids emerged in late European session. Risk reversals still bid for the downside despite spot moving higher.
USDJPY	Spot continues to push lower and vols have followed higher. 1m is now 11.5%, up 0.5 vols and as spot tests the 87 level, we should see vols move much higher.
AUDUSD	Vols have moved higher with spot back under 8800. Buyers seen even for Monday options and the AUDJPY cross vol has been trading firmer all day.

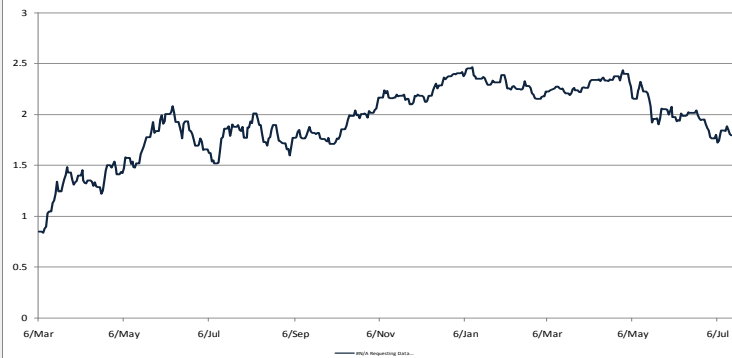
Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 6191 targeting 6226. S/L below 6178.
FTSE	0/+	Buy on dips towards 5223 targeting 5254. S/L below 5214.
S&P500	0/+	Buy on dips towards 1092 targeting 1098. S/L below 1089.
NASDAQ100	0/+	
DJIA	0/+	

Commodities	Daily Stance	Comment
Gold	0/+	Buy on dips towards 1205.50 targeting 1211. S/L below 1203.
Silver	0/+	Buy on dips towards 18.24 targeting 18.35. S/L below 18.20.
Oil (CLQ0)	0/-	Sell on rallies towards 76.54 targeting 76.10. S/L above 76.75.

Earnings Releases

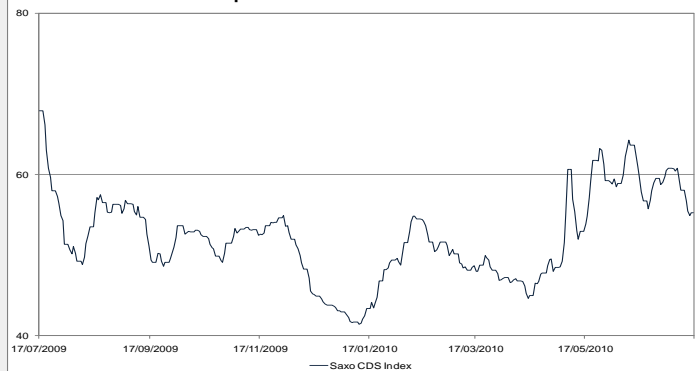
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
US	Bef-Mkt	Bank Of America	0.228	0.360	
US	10:30	General Electric	0.267	0.210	
US	12:00	Citi Group	0.049	0.140	

#N/A Requesting Data...



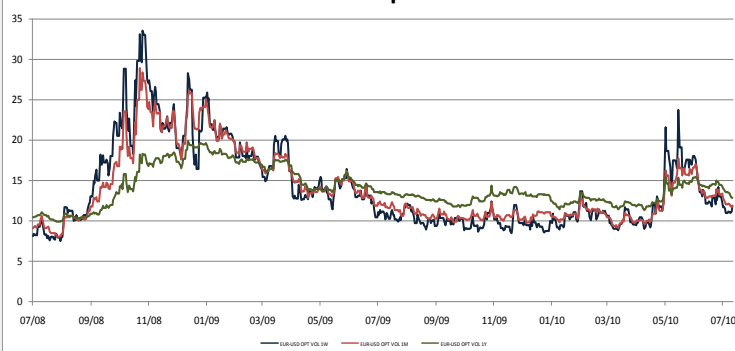
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index



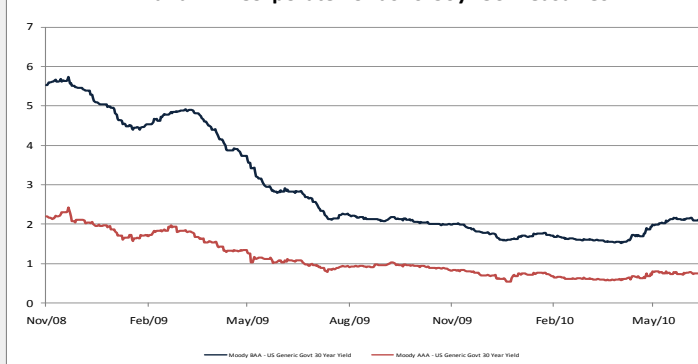
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 55.**

EURUSD Opt. Vol.



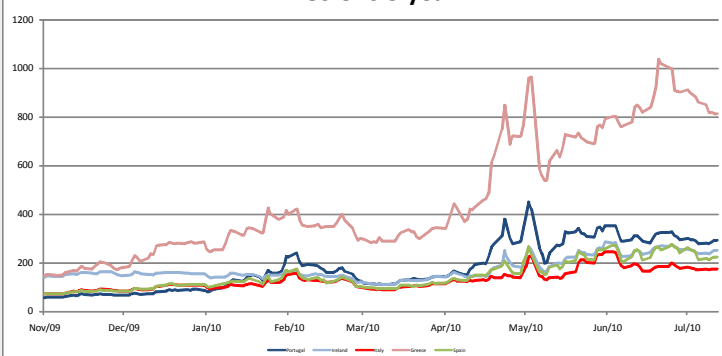
Volatility at different time horizons. Too low, now?

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 25.12** (prev. close at 24.89).

For more trading commentary on [forex and equities](#) go to www.tradingfloor.com or www.saxobank.com

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