

**Theme Comment**

- Drop in revenues at both Bank of America and General Electric combined with disappointing U. Of Michigan Confidence (66.5 vs. 76.0 prior) made US equities sell-off Friday.
- No major macroeconomic data out today, so look for earnings reports from Daimler AG, Boliden and Halliburton.
- Soros was out and warning against removing the stimulus from the economy because the economy has not strengthened enough; rather the cutting back on public expenses are counterproductive measures because you can only grow yourself out of the crisis. We could not disagree more. The public sector needs to a smaller part of the overall economy in order to build the foundation for longer term sustainable growth.

**Economic Data Releases**

Country	Time (GMT)	Name	Saxo	Consensus	Prior
EC	08:00	E-Z Current Account (MAY)	-	-	-6.9B
EC	09:00	Construction Output MoM/YoY (MAY)	-	0%/0%	-0.3%/-6.1%
US	14:00	NAHB Housing Market Index (JUL)	-	16	17

FX	Daily stance	Comment
EURUSD	0/-	Look to sell rebound to 1.2930-35 lvl for a test of 1.28. Stop abv 1.2960
USDJPY	0/-	Prefer to sell rallies to 86.70-80 lvl for a push back to 86.0. Stop abv 87.20
EURJPY	0/-	111.40 n/term suppt. Break below targets 110.90 else trade 111.40-12.20 range
GBPUSD	0/-	Prefer to sell rebound to 1.5330 for a break of 1.5265 suppt , target 1.5150. Stop abv 1.5375
AUDUSD	0/-	Look to sell anything abv 0.87, stop abv 0.8745 for a re-test of 0.86
USDCAD	0	Retracement can hit 1.05 before any suppt. Looking for 1.05-1.0570 for today

FX-Options	Comment
EURUSD	Vols found some support. Market looking to buy post EU stress test options (26-28 Jul) and in particular downside options for 3-6m stay well in demand.
USDJPY	1Y up around half a vol since last week and despite a slow Asian session with Tokyo on holiday, gamma is well bid and cross yen (EURJPY and AUDJPY) vols are in demand as well.
AUDUSD	Vols opened higher with spot hitting 8632 lows this morning. Risk reversals are also higher with plenty of bids for downside strikes as nervousness prevails.

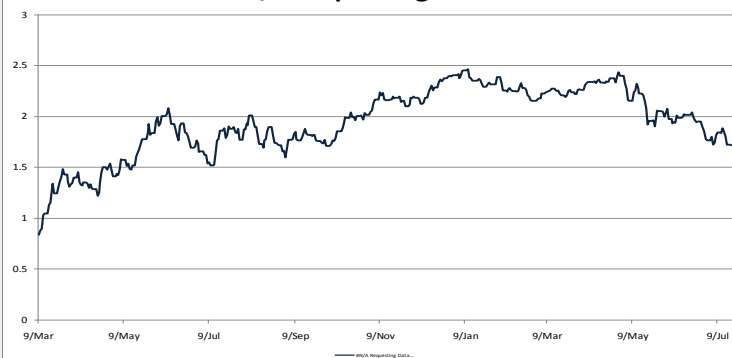
Equities	Daily stance	Comment
DAX	0/-	Sell on rallies towards 6038 targeting 5997. S/L above 6056.
FTSE	0/-	Sell on rallies towards 5166 targeting 5127. S/L above 5177.
S&P500	0/-	Sell on rallies towards 1066 targeting 1059. S/L above 1069.
NASDAQ100	0/-	
DJIA	0/-	

Commodities	Daily Stance	Comment
Gold	0/-	Sell close to 1,195 for a push down to Fri's low 1,185 again. Stop abv 1,200
Silver	0/-	Sell break below 17.70, or rebound abv 18.0 for a re-test of 17.50
Oil (CLQ0)	0	N/term suppt at 75.50. Break below targets 74.26 else stay 75.50-76.00

**Earnings Releases**

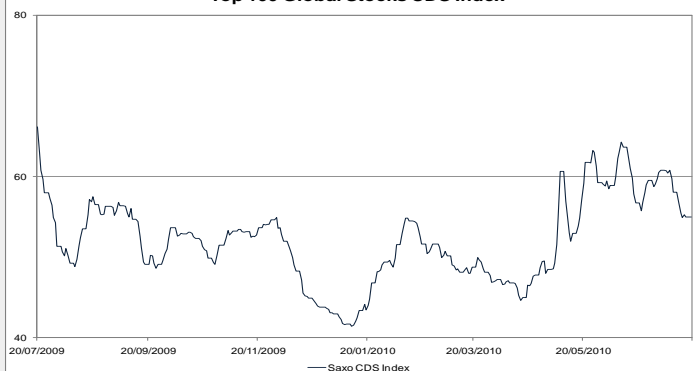
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
GE	-	Daimler AG	0.937	0.650	
SW	08:00	Boliden	3.205	3.210	
US	-	Halliburton	0.370	0.280	

#N/A Requesting Data...



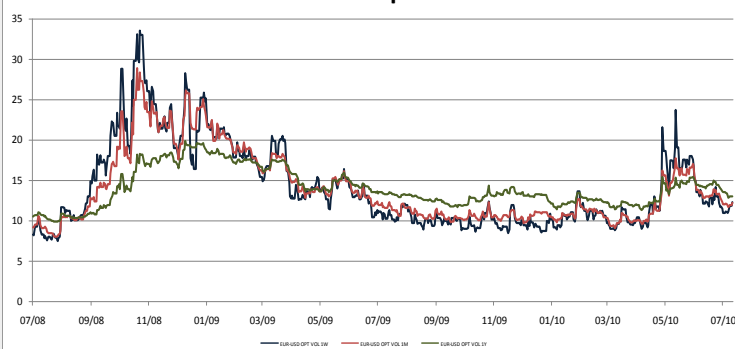
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index



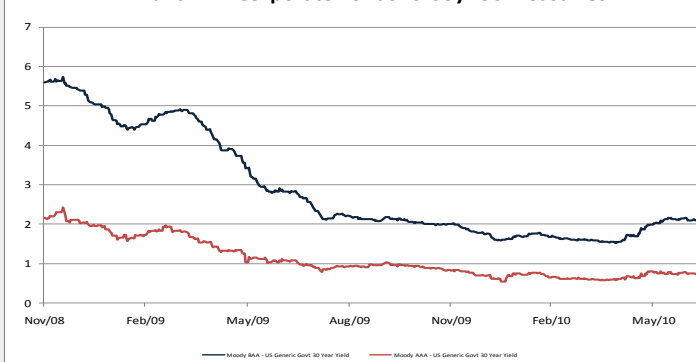
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 55.**

EURUSD Opt. Vol.



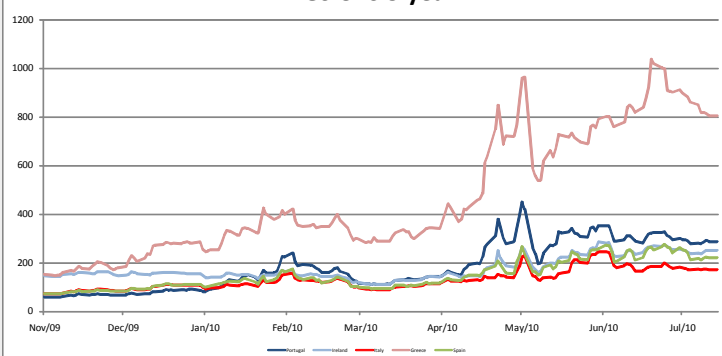
Volatility at different time horizons. Too low, now?

AAA and BAA Corporate Bonds vs. 30yr US Treasuries

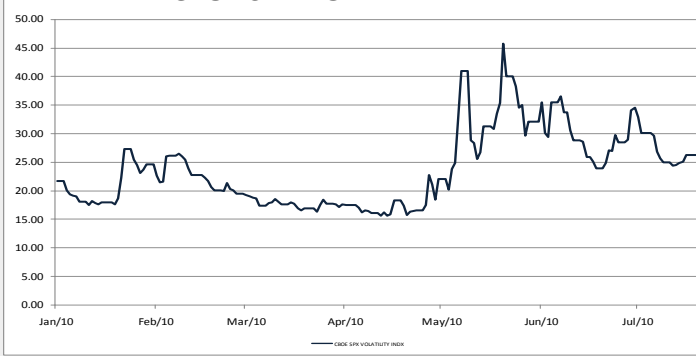


Spreads are easing, but still **showing tight corporate debt markets.**

PIIGS CDS 5 year



CBOE SPX VOLATILITY INDEX



The VIX Index is **now at 26.25** (prev. close at 25.12).

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