

Theme Comment

- ISM Manufacturing posted 55.5 (Saxo: 55.1, consensus 54.0) yesterday, which helped fuel the stock market, but the internals were not too impressive. New Orders (53.5 from 58.5) and Production (57.5 from 57.0) declined while Inventories (50.2 from 45.8) rose. It's another piece of evidence that the inventory adjustment has mostly run its course and hence will not contribute as much to GDP in the second half of the year.
- Watch out for US Pending Home Sales today, they could surprise to the upside following the horrible drop of 30% MoM in May (tax credit expired in April).
- Several company announcements today; watch out for a solid "beat" from Archer-Daniels-Midland.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
US	12:30	Personal Income / Spending MoM (JUN)	0.3% / 0.3%	0.2% / 0.1%	0.4% / 0.2%
US	14:00	Factory Orders MoM (JUN)	-0.7%	-0.5%	-1.4%
US	14:00	Pending Home Sales MoM (JUN)		4.0%	-30.0%

FX	Daily stance	Comment
EURUSD	0/+	Buy on dips towards 1.3119 targeting 1.3154. S/L below 1.3105.
USDJPY	0/+	Buy on dips towards 86.22 and target 86.57. Stop below 86.09.
EURJPY	0/+	Buy on dips towards 113.42 targeting 113.85. S/L below 113.26.
GBPUSD	0/+	Buy on dips towards 1.5857 and target 1.5895. Stop below 1.5841.
AUDUSD	0/+	Buy around 0.9064 and target 0.9099. Stop below 0.9048.
USDCAD	0/-	Sell on rallies towards 1.0277 and target 1.0234. Stop above 1.0296.

FX-Options	Comment
EURUSD	Risk reversals 3m out were under some pressure with the front end still favouring EUR calls. Expiries this week for 1.31-1.32 should put spot within the range.
USDJPY	Vols have been trading sideways and spot managed to trade back to a low of 86.30 in Asia which brought some gamma bids back to the market.
AUDUSD	Vols ease back again after the RBA leaves rates unchanged as expected and offered nothing new in its statement. Gamma to stay soft as spot treads back to the highs.

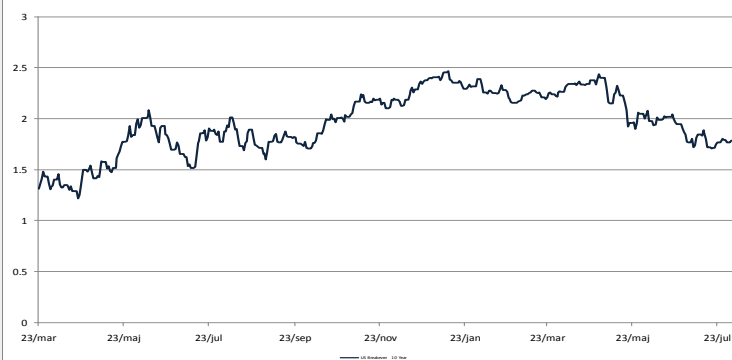
Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 6250 targeting 6300. S/L below 6236.
FTSE	0/+	Buy on dips towards 5365 targeting 5400. S/L below 5350.
S&P500	0/+	Buy on dips towards 1117 targeting 1126. S/L below 1115.
NASDAQ100	0/+	
DJIA	0/+	

Commodities	Daily Stance	Comment
Gold	0/-	Sell at the break of 1181 targeting 1176. S/L above 1183.
Silver	0/-	Sell at the break of 18.32 targeting 18.22. S/L above 18.36.
Oil (CLU0)	0/+	Buy on dips towards 81.20 targeting 81.70. S/L below 81.00

Earnings Releases

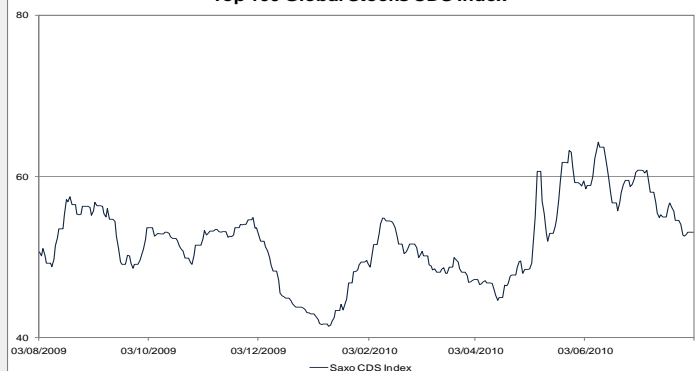
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
US	Bef-Mkt	Archer-Daniels-Midland	0.529	0.720	
US	Bef-Mkt	Mastercard	3.342	3.460	
US	Bef-Mkt	Pfizer	0.522	0.640	

US Breakeven 10 Year



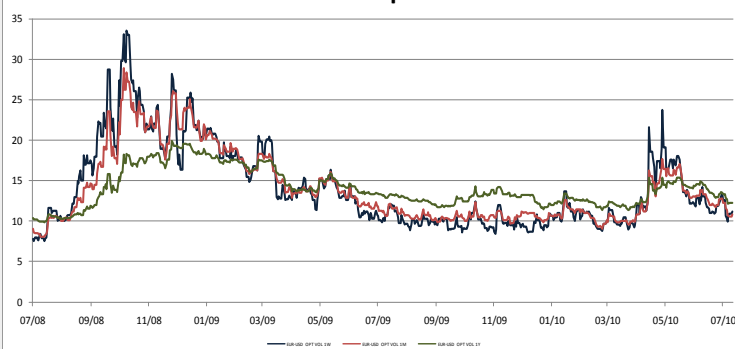
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index



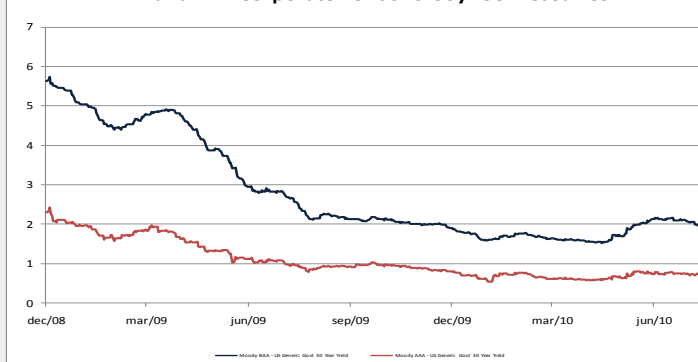
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 53.**

EURUSD Opt. Vol.



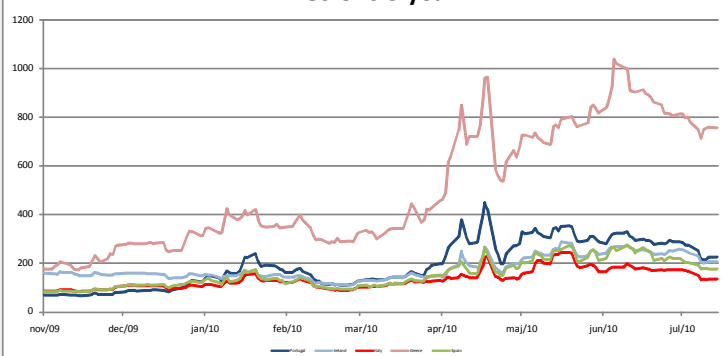
Volatility at different time horizons. Too low, now?

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 22.01** (prev. close at 23.50).

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