

Theme Comment

- We end the week with a bunch of important data. Eurozone GDP is expected to increase in the second quarter, but looking further ahead we see no triggers for higher growth rates. German is currently supporting overall growth, but leading indicators are already heading south in most southern countries in Europe and Germany too will cut spending.
- Retail Sales today will give a direction for consumer behavior in the third quarter. With 2Q GDP expected to post a growth rate much below the original 2.4% QoQ (SAAR) due to a weaker contribution from inventories and foreign trade, the consumer needs to take over from here. We doubt it, but the July report should be boosted by solid car sales, which grew 4.3% MoM.
- Another poor CPI report (12:30) will put even more pressure on the Fed while Business Inventories (14:00) should confirm the weaker contribution from inventories to 2Q GDP.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
EC	09:00	GDP YoY (2Q, first estimate)	1.2%	1.4%	0.6%
US	12:30	CPI / Core CPI MoM (JUL)	0.2% / 0.1%	0.2% / 0.1%	-0.1% / 0.2%
US	12:30	Retail Sales / ex Autos MoM (JUL)	0.4% / 0.2%	0.5% / 0.3%	-0.5% / -0.1%

FX	Daily stance	Comment
EURUSD	0/+	While holding abv 1.2814 risk that rebound extends to 1.2940. Below risks 1.2785 again.
USDJPY	0	Look for consolidation 85.70-86.50. Break abv targets 87.10.
EURJPY	0	Break abv 110.80 brings us back to 111.50 else stuck 109.50-110.80.
GBPUSD	0/+	While holding abv 1.5560 look for rally to extend to 1.5680. Below risks 1.5510.
AUDUSD	0/+	N/term base seems to be forming arnd 0.8930. Chance we extend to 0.9050.
USDCAD	0	Retracement seen limited to 1.0370 for a rebound back to 1.0440.

FX-Options	Comment
EURUSD	Vols bid most of the European session particularly 1w 1.25s but sellers put some pressure as we move into a dull NY session. Gamma likely to trade a little lower today.
USDJPY	Vols are surprisingly firm even as spot manages to hold in a tight range above 8600 most of the session. Cross yen vols mainly AUDJPY seeing some buyers for 3m.
AUDUSD	Vols are lower in a very dull session. 1m got given at 13.0% after trading as high as 14.4% yesterday. Broker interests are all sellers of front end.

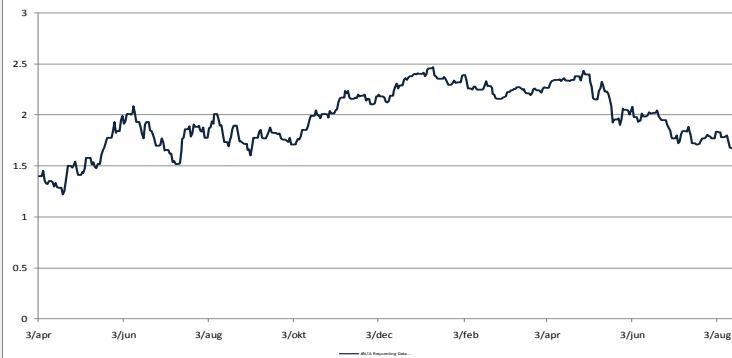
Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 6121 targeting 6175. S/L below 6096.
FTSE	0/+	Buy on dips towards 5240 targeting 5297. S/L below 5210.
S&P500	0/+	Buy on dips towards 1080 targeting 1090. S/L below 1075.
NASDAQ100	0/+	Buy on dips towards 1826 targeting 1844. S/L below 1820.
DJIA	0/+	Buy on dips towards 10300 targeting 10394. S/L below 10265.

Commodities	Daily Stance	Comment
Gold	0/-	Sell at the break of 1211 targeting 1204. S/L above 1215.
Silver	0/-	Sell at the break of 18.03 targeting 17.88. S/L above 18.11.
Oil (CLU0)	0/+	Buy at the break of 77 targeting 78. S/L below 76.70.

Earnings Releases

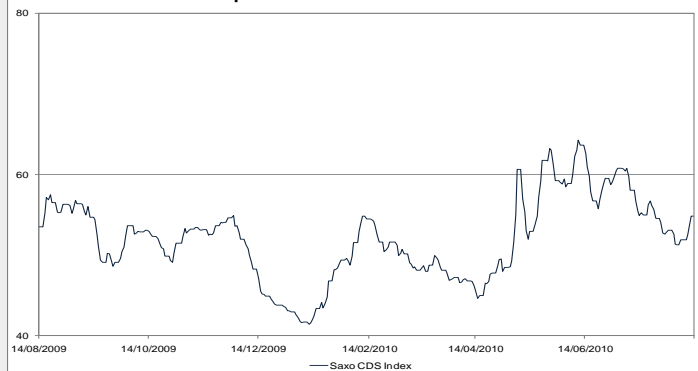
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment

#N/A Requesting Data...



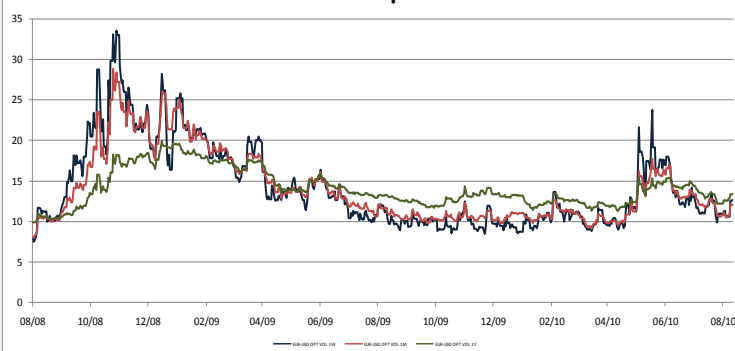
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index



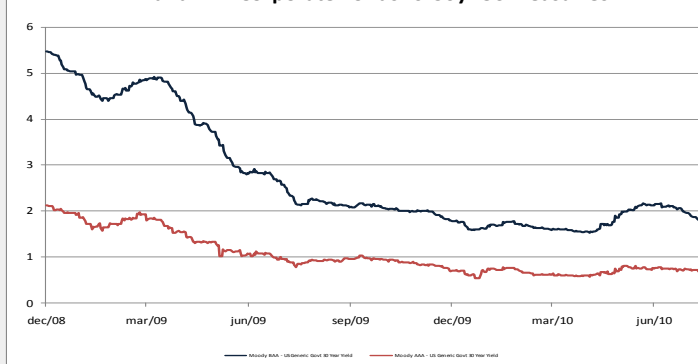
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 55.**

EURUSD Opt. Vol.



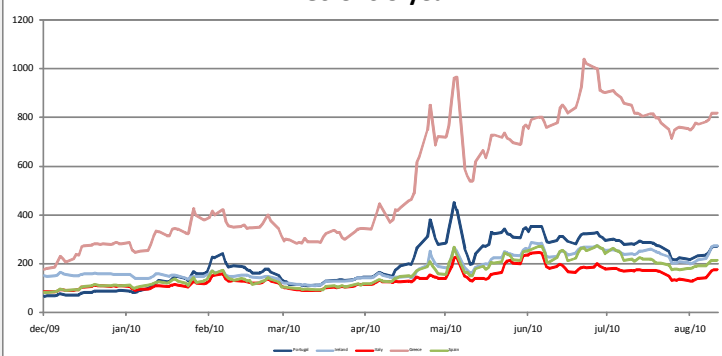
Volatility at different time horizons. Too low, now?

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 25.73** (prev. close at 25.39).

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