

Theme Comment

- The candidate most likely to take over from Japanese PM Hatoyama is current Finance Minister Kan, who is a Yen dove and wants the BOJ to work towards 1-2% inflation.
- Plenty of macro data today with ADP and Initial Jobless Claims probably stealing the headlines ahead of NFP tomorrow – the former two have conveyed quite a different picture of the US labour market compared to NFP in the last couple of months (at least).
- Solid, solid performance from US equities yesterday - and from stocks in overnight trading as well. S&P 500 futures are currently 0.7% up and we buy dips today as the index prepares another assault on the 200DMA.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
EC	09:00	Retail Sales MoM (APR)	0.1%	0.1%	0.5%
US	12:15	ADP Employment Change (MAY)		70K	32K
US	14:00	Factory Orders MoM (APR)	2.0%	1.8%	1.1%

FX	Daily stance	Comment
EURUSD	0/+	Prefer to buy dips down to 1.2265-70 area for a bounce to 1.2330 then 1.24. Stop below 1.2220.
USDJPY	0/+	Buy dips to 92.0, or break abv 92.35, for a test of 92.95. stops below 91.50/91.90 resp.
EURJPY	0/+	Break abv 113.10 suggest stronger push to 114.0. Suppt 112.70.
GBPUSD	0/+	Look to buy dips to 1.4610-15 for a re-test of 1.4735. Stop below 1.4550.
AUDUSD	0/+	May find n/t res at 0.85 but buy dips on retracement to 0.8425 for 0.8530. Stop below 0.8375.
USDCAD	0/-	Res seen at 1.0420 lvl. Sell into rebound twds 1.04 for 1.0250 target. Stop abv 1.0450.

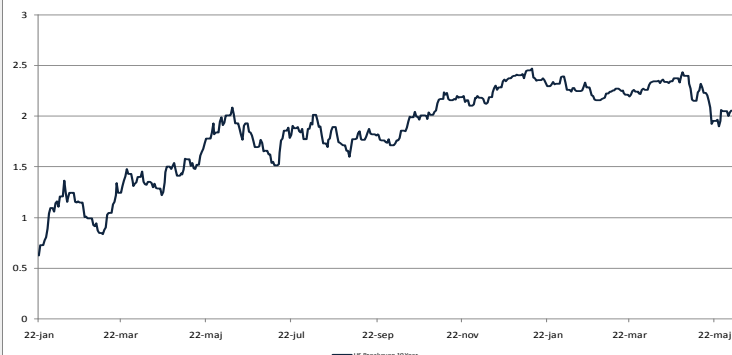
FX-Options	Comment
EURUSD	Frontend vols slipped with the rest of the curve holding steady. Good interest to buy Friday options which covers the US payrolls.
USDJPY	Mostly buyers for shortdate upside 9300-9400 strikes. Spot expected to grind higher at the same time front end ATM should come slightly lower.
AUDUSD	Vols trade lower with the upturn in equities and spot steadily higher just shy of 8500. Gamma buyers starting to lend support buying 1-2wk downside.

Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 6000 targeting 6064. S/L below 5974.
FTSE	0/+	Buy on dips towards 5174 targeting 5230. S/L below 5146.
S&P500	0/+	Buy on dips towards 1095 targeting 1106. S/L below 1090.
NASDAQ100	0/+	
DJIA	0/+	

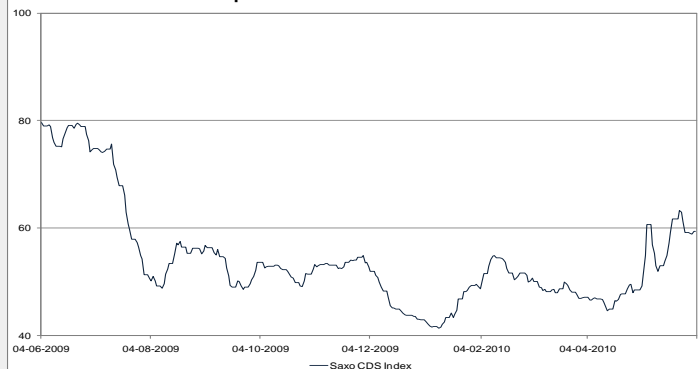
Commodities	Daily Stance	Comment
Gold	0/+	Buy on dips towards 1221 and target 1225. Stop below 1219.
Silver	0/+	Buy on dips towards 18.35 and target 18.50. Stop below 18.27.
Oil (CLN0)	0/+	Buy on dips towards 73.70 and target 74.60. Stop below 73.30.

Earnings Releases

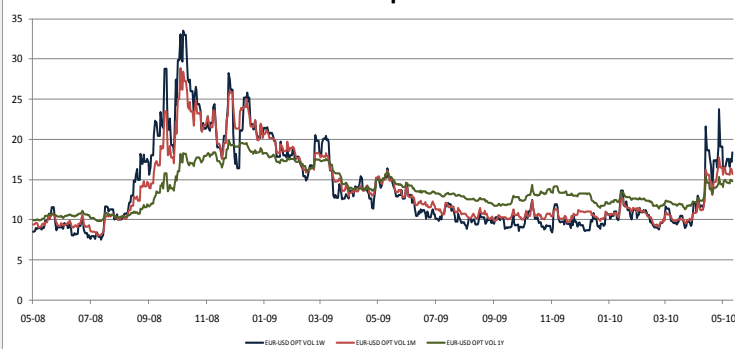
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment

US Breakeven 10 Year


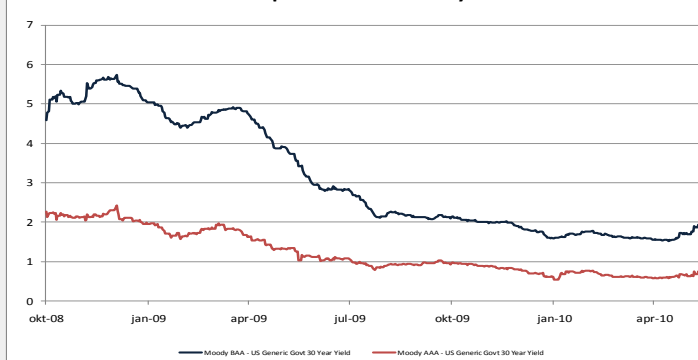
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index


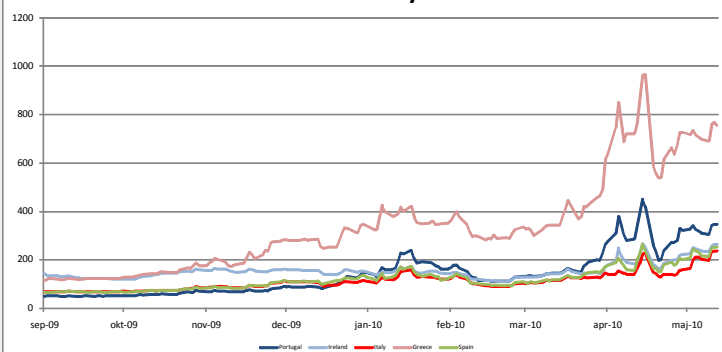
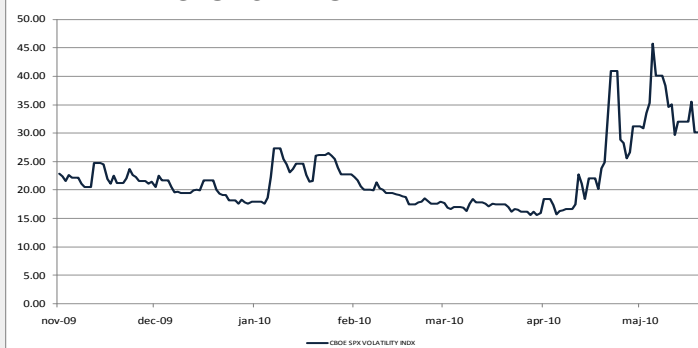
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 59.**

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 30.17** (prev. close at 35.54).

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