

Theme Comment

- Asian stocks in a rebound after big drop yesterday. Futures also higher this morning.
- Sentiment indicators now very bearish on the market and there might be a rebound because of this record bearishness. We have been sufficiently close to our short-term target in S&P500 of 1040-44 (spot) to go look for upside. Some range-trading between 1040 and 1050 likely for the rest of the week.
- On this account it also looks likely that we could have a small but quick bounce in the EUR. Watch out for EURCAD, which has the strongest downtrend and could post the most violent bounce.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
GE	10:00	Industrial Production MoM (APR)		0.7%	4.0%
US	11:30	NFIB Small Business Optimism (MAY)		91.0	90.6
CA	12:15	Housing Starts (MAY)		202.0K	200.7K

FX	Daily stance	Comment
EURUSD	0/+	Buy at the break of 1.1992 and target 1.2075. Stop below 1.1965.
USDJPY	0/+	Buy on dips towards 91.60 and target 92.10. Stop below 91.40.
EURJPY	0/+	Buy on dips towards 109.60 and target 110.20. Stop below 109.30.
GBPUSD	0/+	Buy around 1.45 and target 1.4650. Stop below 1.4450.
AUDUSD	0/+	Buy around 0.82 and target 0.83. Stop below 0.8160.
USDCAD	0	Neutral.

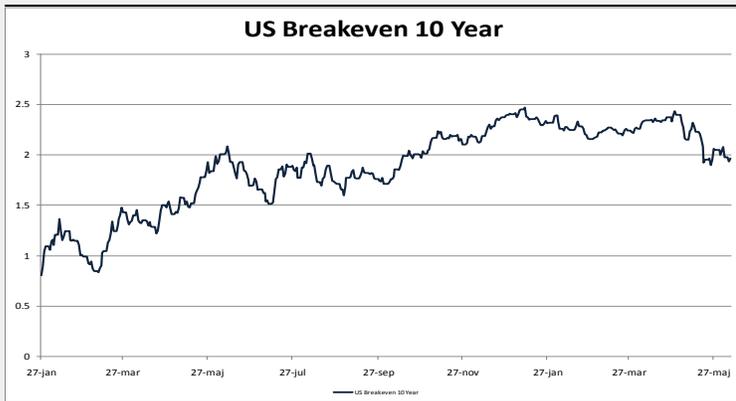
FX-Options	Comment
EURUSD	Market still well bid for EUR puts. Market still very nervous despite yesterday's relatively narrow ranges in spot, with a vol curve remaining well bid throughout the session. Definitely see potential for further downtrend in spot.

Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 5895 targeting 5945. S/L below 5882.
FTSE	0/+	Buy on dips towards 5039 targeting 5084. S/L below 5015.
S&P500	0/+	Buy at the break of 1058 targeting 1068. S/L below 1055.
NASDAQ100	0/+	
DJIA	0/+	

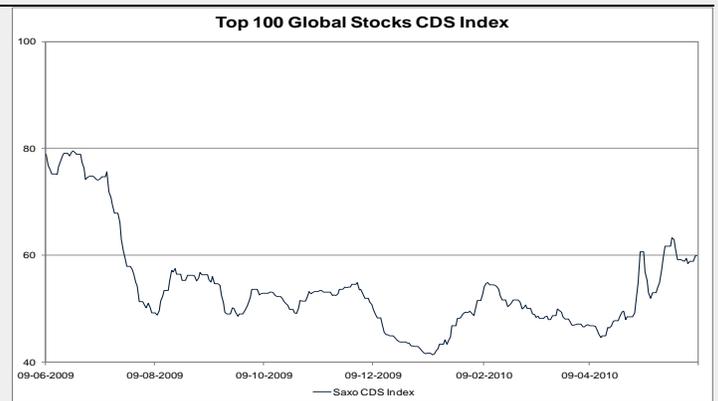
Commodities	Daily Stance	Comment
Gold	0/-	Sell at the break of 1234 targeting 1225. S/L above 1237.
Silver	0/-	Sell at the break of 18.05 targeting 17.93. S/L above 18.10
Oil (CLNO)	0/+	Buy at the break of 72.10 targeting 73. S/L below 71.60.

Earnings Releases

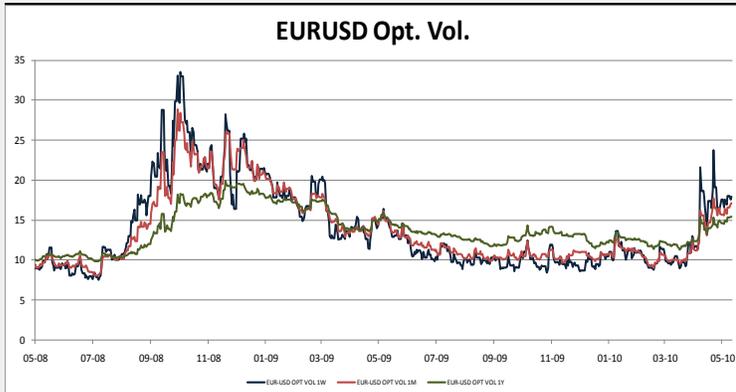
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment



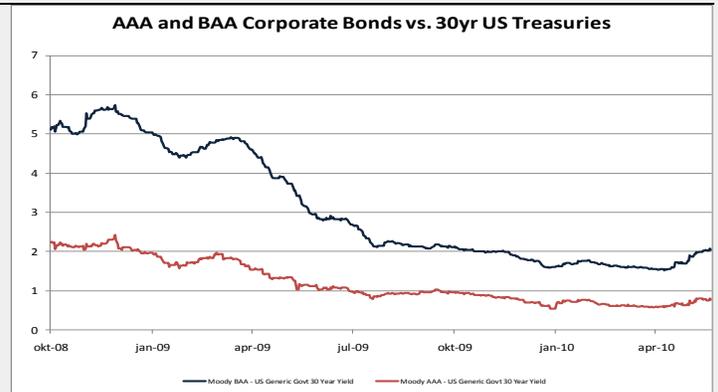
USD breakeven 10 Year – an expression for measuring inflation expectations.



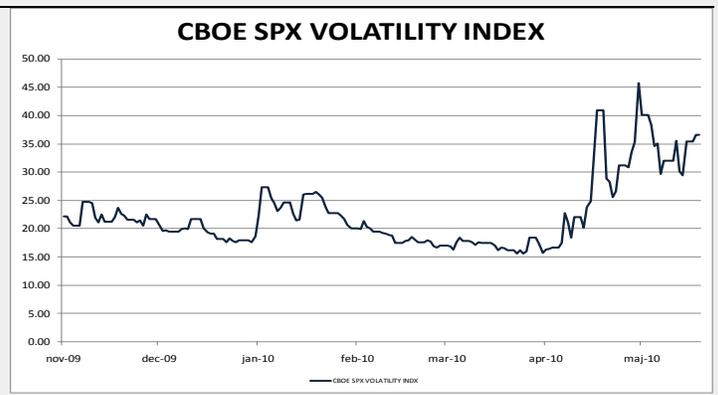
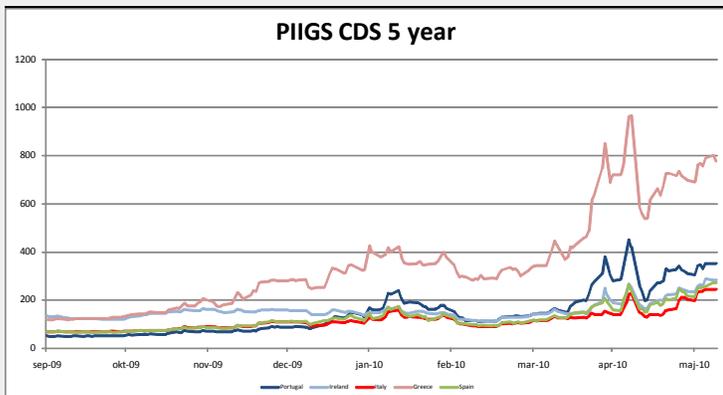
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 60.**



Volatility at different time horizons. Too low, now?



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



The VIX Index is **now at 36.57** (prev. close at 35.48).

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

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