

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.

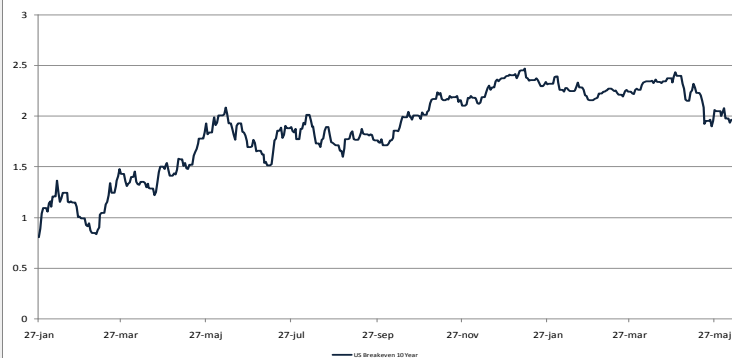
FX-Options	Comment
EURUSD	Market still well bid for EUR puts. Market still very nervous despite yesterday's relatively narrow ranges in spot, with a vol curve remaining well bid throughout the session.
	Definitely see potential for further downtrend in spot.

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/+	

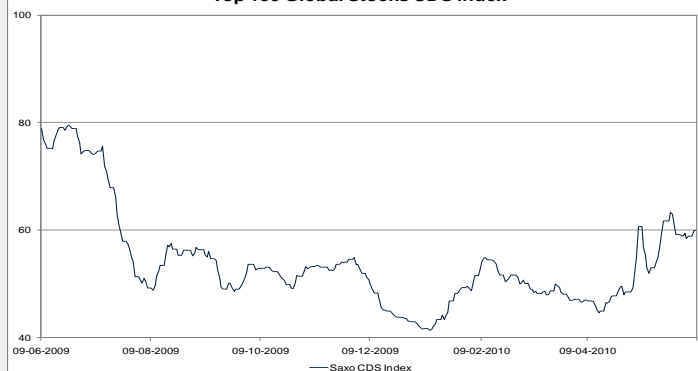
Commodities	Daily Stance	Comment
Gold	0/-	Sell at the break of 1234 targeting 1225. S/L above 1237.
Silver	0/-	Sell at the break of 18.05 targeting 17.93. S/L above 18.10
Oil (CLN0)	0/+	Buy at the break of 72.10 targeting 73. S/L below 71.60.

Earnings Releases

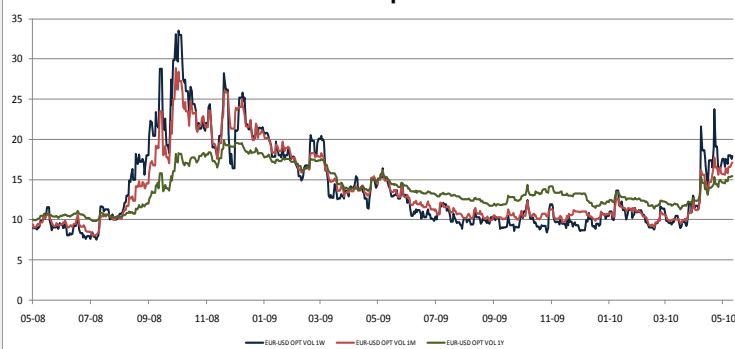
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
---------	------------	------	----------	-----------	---------

US Breakeven 10 Year


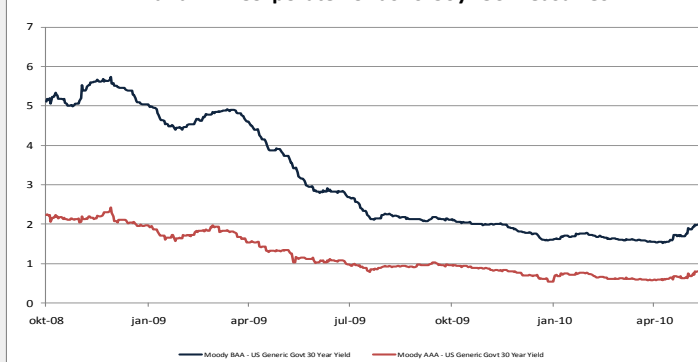
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index


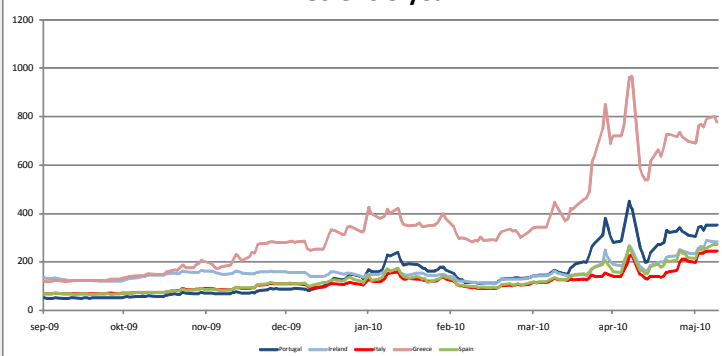
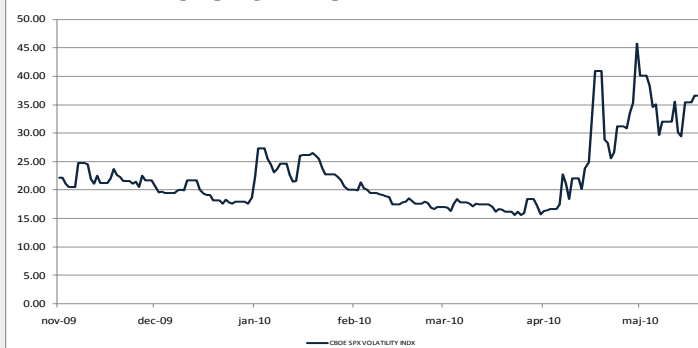
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 60.**

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 36.57** (prev. close at 35.48).

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

General

These pages contain information about the services and products of Saxo Bank A/S (hereinafter referred to as "Saxo Bank"). The material is provided for informational purposes only without regard to any particular user's investment objectives, financial situation, or means. Hence, no information contained herein is to be construed as a analysis; or an offer to buy or sell; or the solicitation of an offer to buy or sell any security, financial product, or instrument; or to participate in any particular trading strategy in any jurisdiction in which such an offer or solicitation, or trading strategy would be illegal. Saxo Bank does not guarantee the accuracy or completeness of any information or analysis supplied. Saxo Bank shall not be liable to any customer or third person for the accuracy of the information or any market quotations supplied through this service to a customer, nor for any delays, inaccuracies, errors, interruptions or omissions in the furnishing thereof, for any direct or consequential damages arising from or occasioned by said delays, inaccuracies, errors, interruptions or omissions, or for any discontinuance of the service. Saxo Bank accepts no responsibility or liability for the contents of any other site, whether linked to this site or not, or any consequences from your acting upon the contents of another site. Opening this website shall not render the user a customer of Saxo Bank nor shall Saxo Bank owe such users any duties or responsibilities as a result thereof.

Analysis Disclosure & Disclaimer

Risk warning

Saxo Bank A/S shall not be responsible for any loss arising from any investment based on any analysis, forecast or other information herein contained. The contents of this publication should not be construed as an express or implied promise, guarantee or implication by Saxo Bank that clients will profit from the strategies herein or that losses in connection therewith can or will be limited. Trades in accordance with the analysis in an analysis, especially leveraged investments such as foreign exchange trading and investment in derivatives, can be very speculative and may result in losses as well as profits, in particular if the conditions mentioned in the analysis do not occur as anticipated.