

Theme Comment

- Apparently Chinese figures were leaked and had no effect on markets when they were released in Bloomberg.
- The bounce in risk continues and sentiment indicators are again turning south (beginning to be over-optimistic). We therefore expect a re-test of 1100 in S&P500 in the short term and then retracement next week.
- We still anticipate some range-trading due to expectations of a relatively strong earnings season beginning in early July (positive) and continued sovereign debt crisis and deteriorating credit markets (negative). We therefore expect S&P500 to trade between 1050 and 1100 (perhaps even 1150 if earnings are strong enough) over the coming weeks and we fear this will result in a big head-and-shoulders formation, which would be very negative for 2011.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
UK	08:30	PPI Output / Ind. Prod. MoM (MAY)	0.3% / 0.6%	0.5% / 0.4%	1.4% / 2.0%
US	12:30	Retail Sales / ex. Autos MoM (MAY)	0.3% / 0.1%	0.2% / 0.1%	0.4% / 0.4%
US	13:55	U. of Michigan Confidence (JUN, P)		74.5	73.6

FX	Daily stance	Comment
EURUSD	0	Neutral, but good possibilities for break-outs: Buy break of 1.2148. Sell the break of 1.2093. We favor upside.
USDJPY	0	Neutral.
EURJPY	0	Neutral, but good possibilities for break-outs: Buy at the break of 111.28. Sell the break of 110.46.
GBPUSD	0	A beginning Morningstar formation (like EUR crosses)? Neutral so far. Perhaps strong bearish reversal over w/e.
AUDUSD	0/+	Buy on dips towards 0.84 and target 0.8490. Stop below 0.8380.
USDCAD	0/+	Buy at the break of 1.0334 and target 1.04. Stop below 1.03.

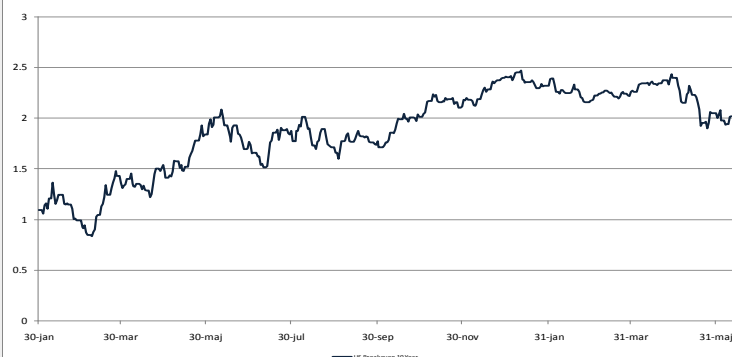
FX-Options	Comment
EURUSD	Another day of volatility sell off in all sessions, as spot staying in narrow ranges. Brokers were looking to buy downside puts in EURUSD, but not very significant. We expect another sell off in volatility as the market goes into World Cup/weekend mode.

Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 6076 targeting 6114. S/L below 6060.
FTSE	0/+	Buy on dips towards 5133 targeting 5173. S/L below 5125.
S&P500	0/+	Buy on dips towards 1080 targeting 1090. S/L below 1077.
NASDAQ100	0/+	
DJIA	0/+	

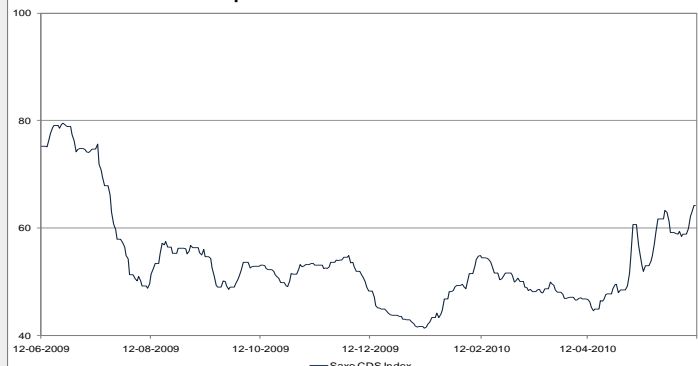
Commodities	Daily Stance	Comment
Gold	0/-	Sell on rallies towards 1222 targeting 1215. S/L above 1224.65
Silver	0/-	Sell on rallies towards 18.41 targeting 18.22. S/L above 18.48.
Oil (CLN0)	0/+	Buy on dips towards 75 targeting 75.85. S/L below 74.82

Earnings Releases

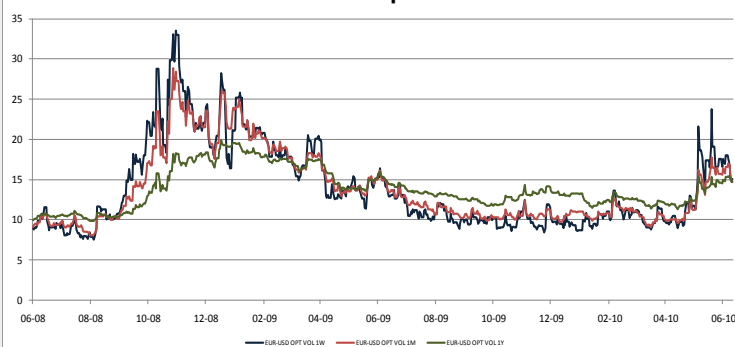
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment

US Breakeven 10 Year


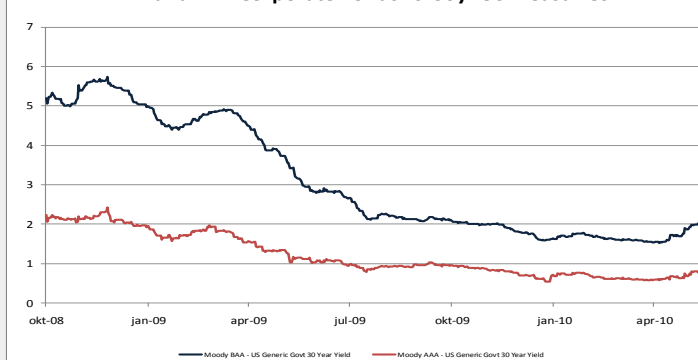
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index


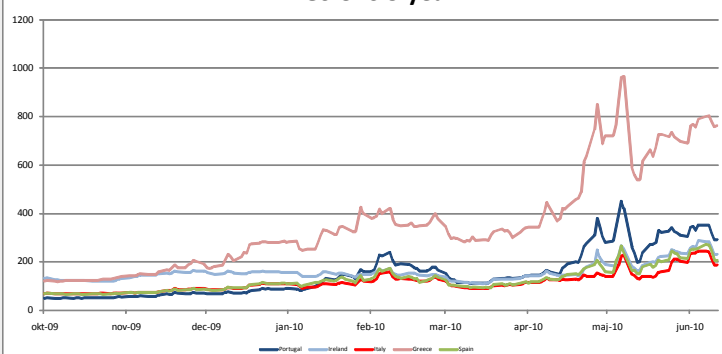
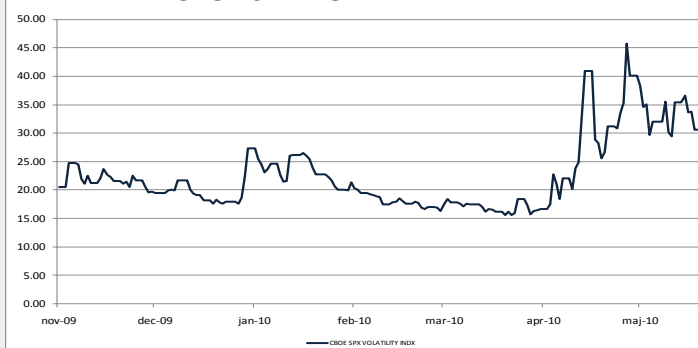
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 63.**

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 30.57** (prev. close at 33.73).

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