

Theme Comment

- While we did peek below the 200DMA in S&P500 yesterday, we closed above once again and we still target the 1150 level and expect it to be reached within a month.
- Following the central bank of Spain's decision to publish the results of the stress tests on its banks, the EU has now followed suit. While this will without a doubt be welcomed by equity investors due to the additional transparency, we don't expect the scenarios in the stress tests to be too challenging. Shareholders will most likely welcome the news today by sending stocks higher.
- Initial jobless claims were once again horrible (472K from 460K) while leading indicators grew as expected. The increase in the average workweek, the money supply, and the interest rate spread were the main contributors to the 0.4% gain MoM.

Economic Data Releases

| Country | Time (GMT) | Name | Saxo | Consensus | Prior |
|---------|------------|------------------------------|------|-----------|-------|
| UK | 08:30 | Money Supply M4 YoY (MAY) | | 3.2% | 3.3% |
| CA | 12:30 | Leading Indicators MoM (MAY) | | 0.7% | 0.9% |

| FX | Daily stance | Comment |
|--------|--------------|---|
| EURUSD | 0/+ | 1.2340 lends support for next move higher. Tgt 1.2420 then 1.25. Below sees 1.2275 again. |
| USDJPY | 0 | Likely capped at 91.10-15 lvl n/term but seen stuck in a 90.60-91.10 range. |
| EURJPY | 0 | 112-113 the immediate range. Don't see much to tempt outside of this. |
| GBPUSD | 0 | Look for consolidation after y'day's strong rebound. Seen ranging 1.4765-1.4835. |
| AUDUSD | 0/+ | Need to maintain break abv 0.8665. N/term objective 0.8740. Below risks 0.8625 first. |
| USDCAD | 0 | 1.0225 still in focus. Ranging 1.0225-1.0325 again. |

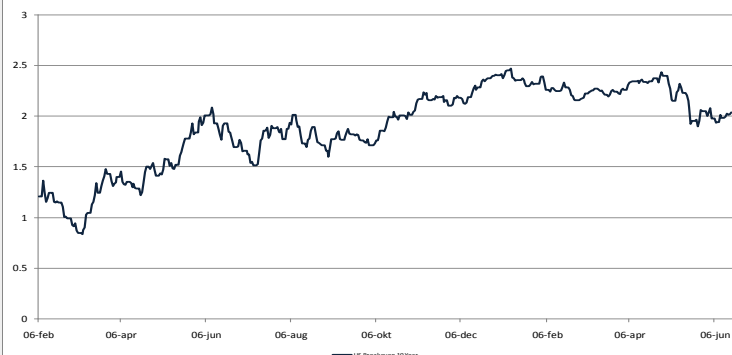
| FX-Options | Comment |
|------------|--|
| EURUSD | Vols and RR unchanged. No clear direction on interbank deals. We will likely see frontend vols drop lower from here. Expect move range trading in the time to come. |
| EURCHF | Frontend vols dropped after spot consolidating around 1.3770. Mkt not expecting SNB to play same kind of role in the weeks to come, and price action likely to be more calm and natural. |

| Equities | Daily stance | Comment |
|-----------|--------------|--|
| DAX | 0/+ | Buy on dips towards 6232 targeting 6276. S/L below 6216. |
| FTSE | 0/+ | Buy on dips towards 5258 targeting 5284. S/L below 5244. |
| S&P500 | 0/+ | Buy on dips towards 1110 targeting 1120. S/L below 1105. |
| NASDAQ100 | 0/+ | |
| DJIA | 0/+ | |

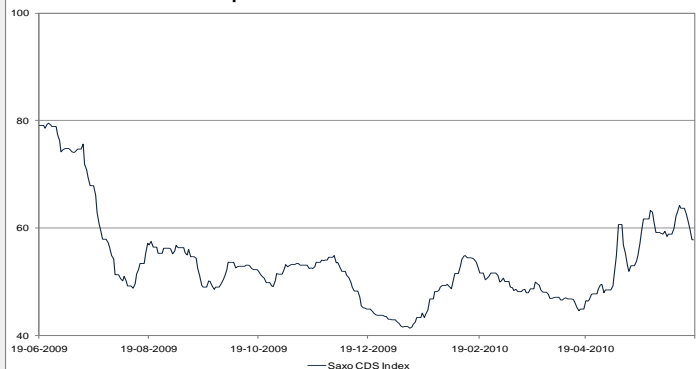
| Commodities | Daily Stance | Comment |
|-------------|--------------|--|
| Gold | 0/- | Sell at the break of 1242 targeting 1235. S/L above 1245. |
| Silver | 0/- | Sell at the break of 18.71 targeting 18.61. S/L above 18.76. |
| Oil (CLNO) | 0/+ | Buy at the break of 76.79 targeting 77.22. S/L below 76.58. |

Earnings Releases

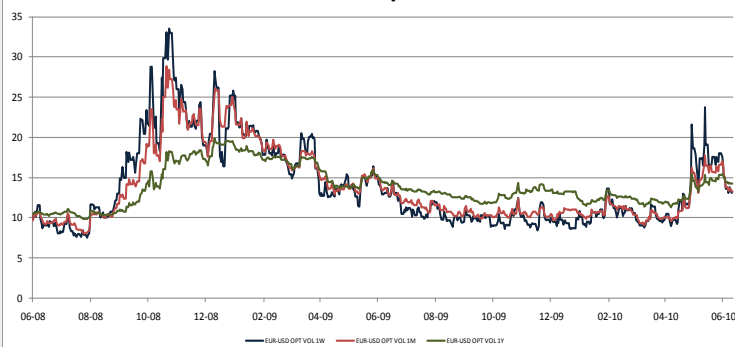
| Country | Time (GMT) | Name | EPS exp. | EPS prior | Comment |
|---------|------------|------|----------|-----------|---------|
|---------|------------|------|----------|-----------|---------|

US Breakeven 10 Year


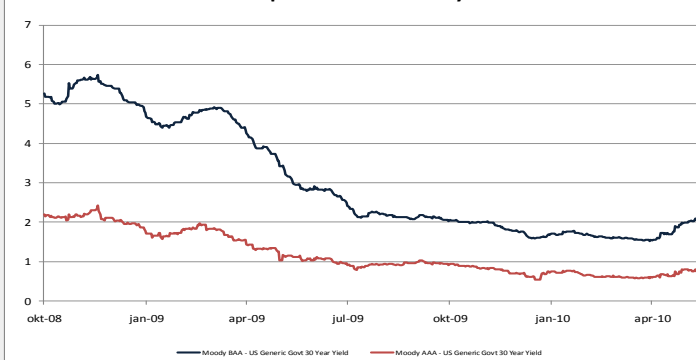
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index


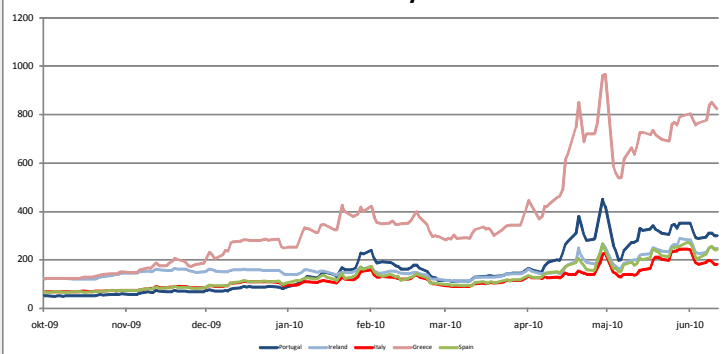
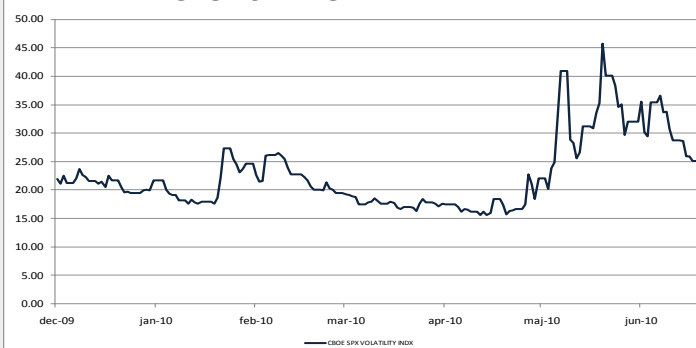
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 58.**

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 25.05** (prev. close at 25.92).

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