

Theme Comment

- USDCNY rallies again to almost unchanged from last week, but the 12 month NDF stays low, so the market is only discounting “action” on a longer horizon and not in a matter of weeks. Gold and other commodities got hit by a come-back in the USD as the CNY story was shrugged off by the market.
- Watch out for IFO figures in Germany today. The consensus looks for another slight decline as the European debt crisis weighs on sentiment in Europe. However, a potential upside risk to the consensus call is the weaker EUR.
- Existing Home Sales for May will be out today and analysts are in complete disagreement as forecasts range from - 9.9% MoM to 12.7% (Saxo: 5%, consensus median: 6%). We expect another increase as buyers of *existing* homes still have time to finalize as indicated by pending home sales, which increased 6% in April.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
GE	08:00	IFO – Busi. Climate/Curr. Assessment (JUN)		101.2 / 99.8	101.5 / 99.4
CA	11:00	CPI / CPI Core YoY (MAY)	1.2% / 1.6%	1.3% / 1.7%	1.8% / 1.9%
US	14:00	Existing Home Sales MoM (MAY)	5.0%	6.0%	7.6%

FX	Daily stance	Comment
EURUSD	0/-	Look to sell any rebound near 1.2320-30 for a test of 1.2240. Stop abv 1.2385.
USDJPY	0	Break below 90.80 risks 90.50 else we stay 90.80-91.30 range.
EURJPY	0	May find suppt at 111.25 after break of 111.85. Generally ranging 111.35-112.35.
GBPUSD	0/-	Seen capped at 1.4765 for a test of 1.4685, then 1.4650. stop abv 1.4795.
AUDUSD	0/-	Expect to close gap down to 0.8725. After that ranging 0.8725-0.8775.
USDCAD	0	Break back abv 1.0225 suggests we extend to 1.0275. Range 1.02-1.0275.

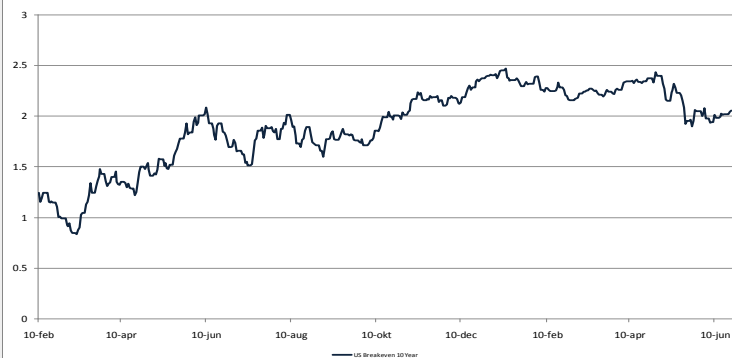
FX-Options	Comment
EURUSD	Vols turn better bid in NY session and with spot testing under 1.23 in Asia, vols should firm slightly at the European open.
USDJPY	Vols have more room to drop as spot remains stubbornly rangebound. Very little directional activity in the brokers along with general risk appetite returning.
AUDUSD	Spot traded as high as 8930 during the revised CNY fixing today but ranges have narrowed and gamma sellers continue to put pressure on front end vols.

Equities	Daily stance	Comment
DAX	0/-	Sell on rallies towards 6280 targeting 6240. S/L above 6295.
FTSE	0/-	Sell on rallies towards 5283 targeting 5257. S/L above 5295.
S&P500	0/-	Sell on rallies towards 1118 targeting 1112. S/L above 1122.
NASDAQ100	0/-	
DJIA	0/-	

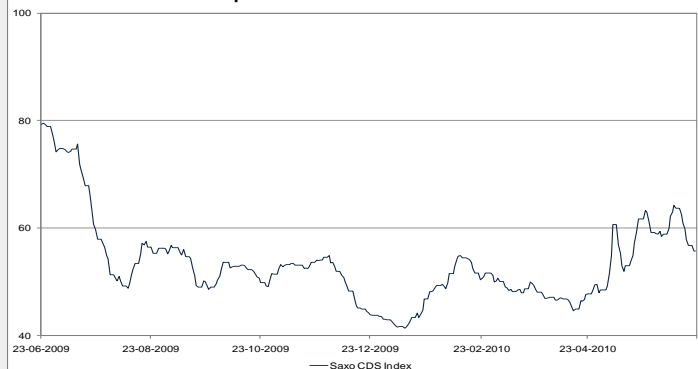
Commodities	Daily Stance	Comment
Gold	0/+	Buy on dips towards 1233 and target 1247. Stop below 1229.
Silver	0/-	Sell at the break of 18.64 and target 18.40. Stop above 18.70.
Oil (CLN0)	0/-	Sell at the break of 76.88 and target 75.60. Stop above 77.00.

Earnings Releases

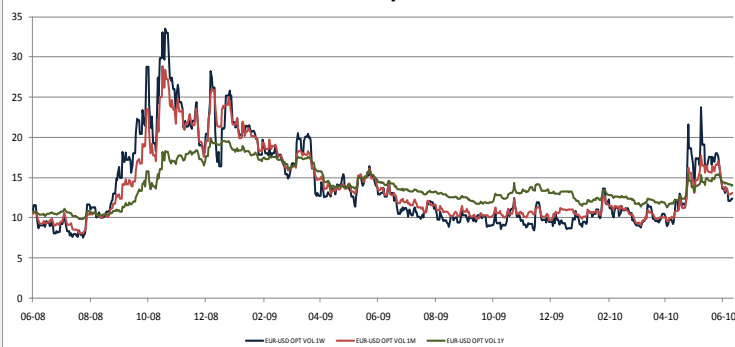
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment

US Breakeven 10 Year


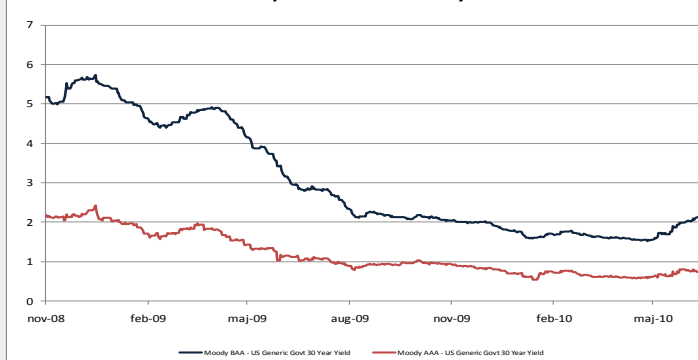
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index


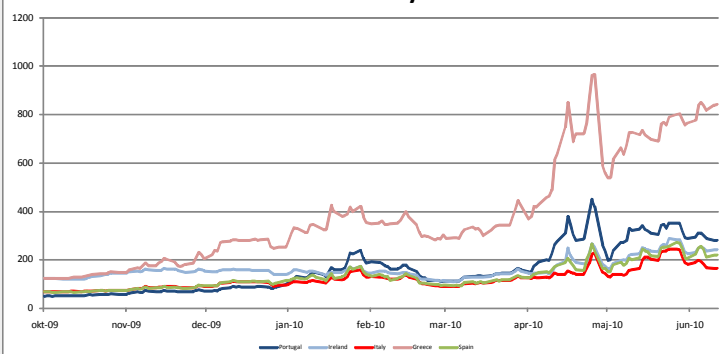
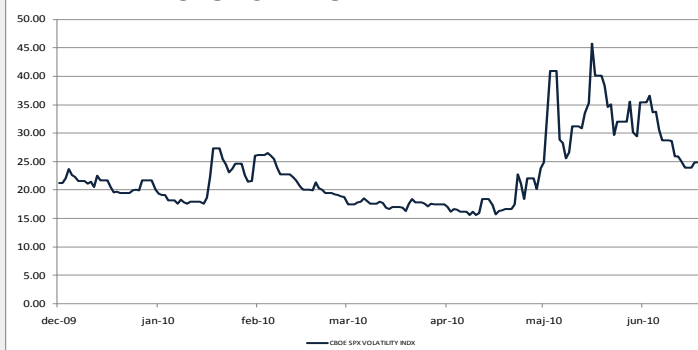
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 56.**

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 24.88** (prev. close at 23.95).

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