

**Theme Comment**

- The S&P 500 once again dipped below the 200DMA as the last couple of hours of the US session – once again – saw all of the action. The resistance at the MA should be tested again today, but we expect the attempt to be unsuccessful.
- New Home Sales are expected to tank today as evidenced by the consensus call for an 18.7% decline MoM. Unlike existing home sales (if pending in April), purchasers of new homes in May are not eligible for the tax credit.
- In addition, we have BoE Minutes (08:30) and FOMC's rate decision (18:15). We expect the Fed to keep the fed funds rate steady while the recent turmoil (e.g. EC debt crisis) will postpone the normalization of monetary policy even further. The deterioration globally (and domestically to some extent) in the last couple of months could cause a few changes to the statement (e.g. disinflation and subdued growth in H2), nothing that will rock the boat. The 'extended period' language will be kept unchanged.

**Economic Data Releases**

Country	Time (GMT)	Name	Saxo	Consensus	Prior
GE	07:30	PMI Services / Manufacturing (JUN)		54.7 / 58.0	54.8 / 58.4
EC	08:00	PMI Services / Manufacturing (JUN)		55.9 / 55.3	56.2 / 55.8
US	14:00	New Home Sales (MAY)	400K	410K	504K

FX	Daily stance	Comment
EURUSD	0/-	Look to sell rebound to 1.23, or break below 1.2240, 1.2170. Stop abv 1.2355/1.2275 resp.
USDJPY	0	Seen contained in lower range – 90.30-90.85.
EURJPY	0	110.80 suppt looks critical. Break risks 110.0 else stay 110.80-111.80 range.
GBPUSD	0/-	While holding below 1.4850, look for a retracement back to 1.4740. Abv risks 1.4935 first.
AUDUSD	0/-	Look to sell rallies to 0.8730 for a test of 0.8650. Stop abv 0.8755.
USDCAD	0	Suppt now edging up to 1.0250. Res seen at 1.0310 then 1.0360.

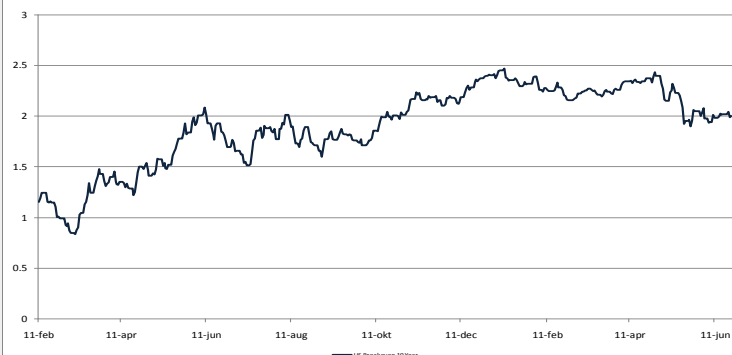
FX-Options	Comment
EURUSD	Front end lower with spot rangebound and the risk reversals have edged higher as spot stayed under 1.23. Until the next break lower, the rest of the curve should ease.
USDJPY	Vols are little changed and very little directional interest seen in the market. Front end looks soft and rest of the curve ended up flat from yesterday.
AUDUSD	Vols turn better bid today with spot languishing around the session lows. Risk reversals are also seeing firm bids which implies spot might struggle to move higher.

Equities	Daily stance	Comment
DAX	0/-	Sell on rallies towards 6228 targeting 6188. S/L above 6246.
FTSE	0/-	Sell on rallies towards 5241 targeting 5202. S/L above 5259.
S&P500	0/-	Sell on rallies towards 1106 targeting 1096. S/L above 1110.
NASDAQ100	0/-	
DJIA	0/-	

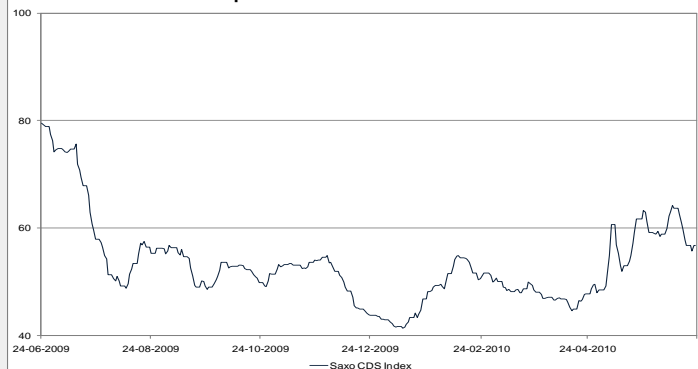
Commodities	Daily Stance	Comment
Gold	0/+	Buy at the break of 1243 targeting 1250. S/L below 1240.
Silver	0/+	Buy at the break of 18.86 targeting 19.00. S/L below 18.76.
Oil (CLN0)	0/-	Sell at the break of 77.00 targeting 76. S/L above 77.35

**Earnings Releases**

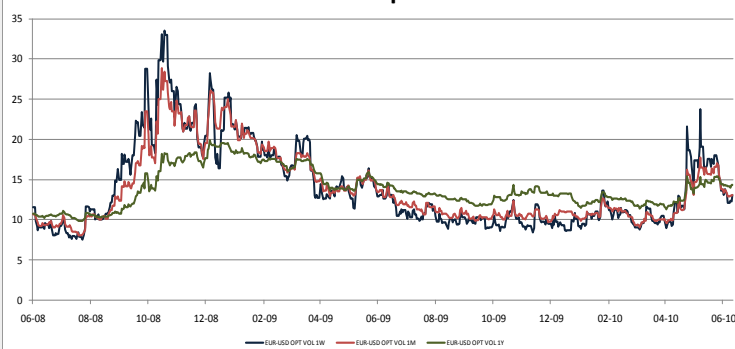
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
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**US Breakeven 10 Year**


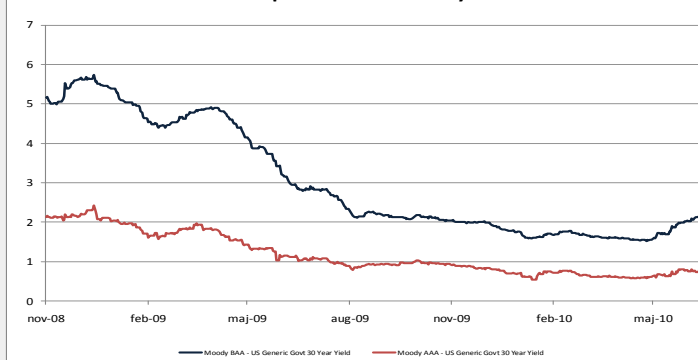
USD breakeven 10 Year – an expression for measuring inflation expectations.

**Top 100 Global Stocks CDS Index**


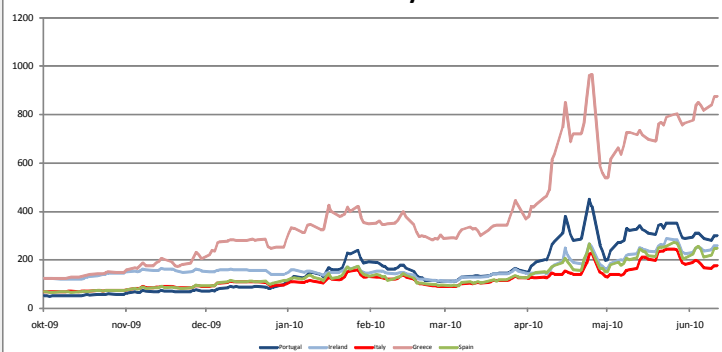
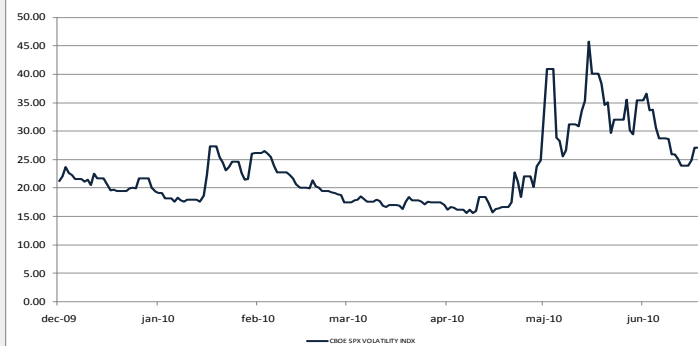
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 57.**

**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 27.05** (prev. close at 24.88).

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