

Theme Comment

- US GDP was revised down once again in last Friday's third estimate; this time to 2.7% from 3.0%. The downward revision is mostly due to lower consumer spending, which was revised 0.5%-points down to 3.0%. Most hard data is slowing down, but for 2Q we should see another fairly solid growth in consumer spending – despite the weak monthly increase seen in April and weak increase expected for May. That report is out today.
- Of course, the G-20 meeting gathered a lot of attention on Friday and markets were looking nervously ahead for any new regulation that might be agreed upon at the meeting – especially of the banking sector. As it turns out, the meeting was quite uneventful and President Obama will be disappointed that he could not convince several European leaders that they need to engage in more stimulus to keep the recovery on track. The meeting did produce some results, though, as the G-20 economies will look to halve deficits in three years and stabilize their debt/GDP-ratio in six. In addition, it was agreed that higher capital requirements for banks should be *pursued*.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
US	12:30	Chicago Fed National Activity Index (MAY)		0.32	0.29
US	12:30	Personal Income / Spending MoM (MAY)	0.4% / 0.1%	0.5% / 0.1%	0.4% / 0.0%
US	14:30	Dallas Fed Manf. Activity (JUN)		3.2%	2.9%

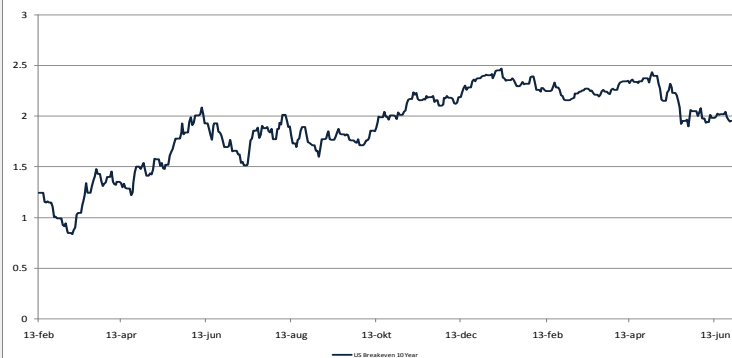
FX	Daily stance	Comment
EURUSD	0	Seems to be struggling to break 1.24. Suggest ranging 1.2350-1.2425.
USDJPY	0	See n/term suppt at 89.20. Likely ranging 89.20-89.75.
EURJPY	0	May be building n/term base. Buy break abv 111.0 for 111.80 target by choice.
GBPUSD	0	Break abv 1.50 targets 1.5100-10 but may consolidate first. Suppt 1.50.
AUDUSD	0	0.87 now looks suppt. Likely ranging 0.87-0.8780.
USDCAD	0	1.0290 next suppt lvl. Expect consolidation 1.03-1.04 range.

FX-Options	Comment
EURUSD	Curve steepened on Friday with back end being firmly bid. 9m 1.02s and 6m 1.05 traded in large tickets on Friday. Gamma likely to slip as we approach the upcoming US holidays.
USDJPY	With spot pff the lows, gamma is expected to come under some pressure. The curve has remained steady with very little going through in the market so far.
AUDUSD	Gamma sellers dominate. 1m given at 15.8, down from 16.1 on Friday and the front part of the curve remains weak. Spot in an very narrow range since the opening.

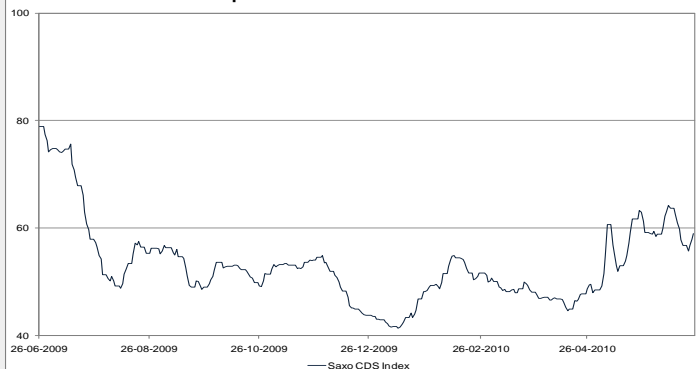
Equities	Daily stance	Comment
DAX	0/-	Sell on rallies towards 6100 targeting 6054. S/L above 6122.
FTSE	0/-	Sell on rallies towards 5070 targeting 5022. S/L above 5093.
S&P500	0/-	Sell on rallies towards 1081 and target 1075. Stop above 1084.
NASDAQ100	0/-	
DJIA	0/-	

Commodities	Daily Stance	Comment
Gold	0/+	Buy dips to 1,253 for a push back to 1,265 again. Stop below 1,247.
Silver	0/+	Buy dips to 18.95 for a rebound back to 19.40. Stop below 18.70.
Oil (CLQ0)	0	Expect today's high at 79.38 to contain further gains. Seen ranging 78.25-79.25.

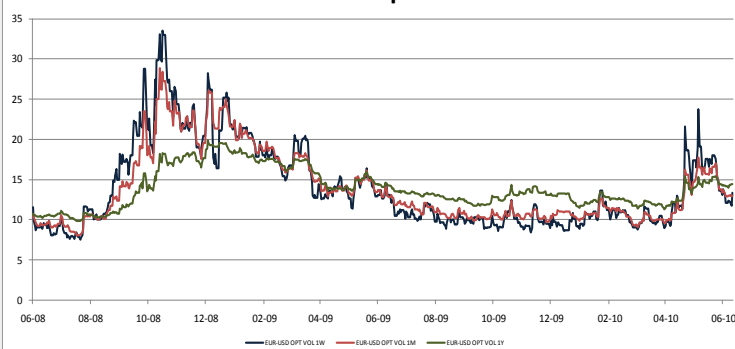
Earnings Releases

US Breakeven 10 Year


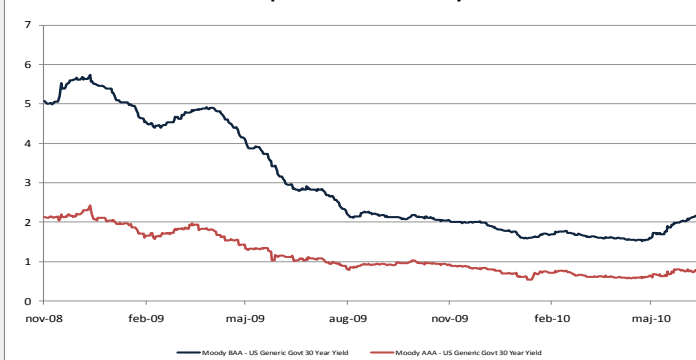
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index


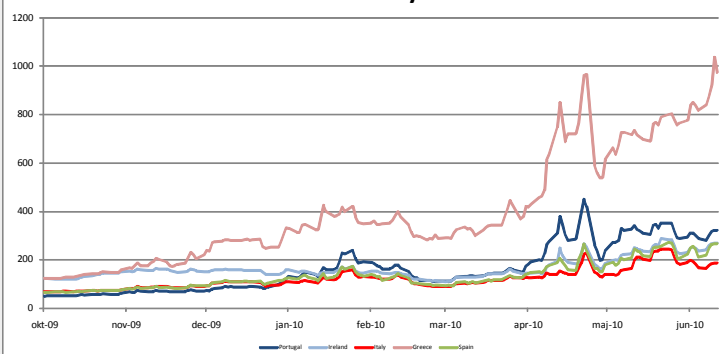
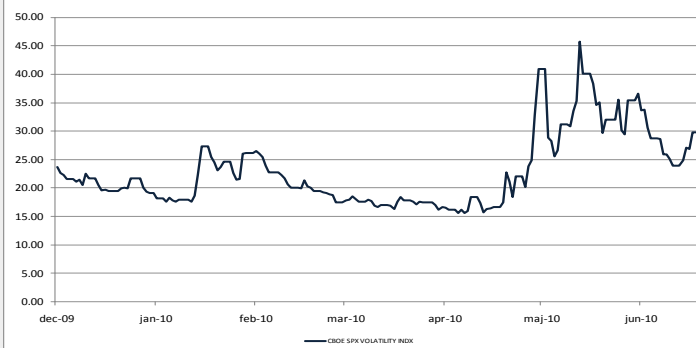
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 60.**

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 28.53** (prev. close at 29.74).

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