

Theme Comment

- Stocks rallied hard in the European session with the DAX going all the way to – but not through – the 100DMA. The S&P 500 attempted a rally of its own but crashed head first into the resistance around 1040. It was downhill from there and in the end the index could only muster a 0.54% gain for the day.
- ISM Non-manufacturing was weak at 53.8 (Saxo: 54.5, consensus: 55) and it was disappointing to see the employment component go below 50 again after a very short peek above in May. The economy-weighted ISM composite is suggesting that GDP growth have only a little more to give on a YoY basis.
- We find ourselves with a somewhat busier calendar today where we will focus our energy on German factory orders and Canadian Ivey PMI. Eurozone GDP is also out, but it is a final figure and is not expected to rock the boat much.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
EC	09:00	GDP YoY	0.6%	0.6%	0.6%
GE	10:00	Factory Orders MoM (MAY)		0.3%	2.8%
CA	14:00	Ivey Purchasing Managers' Index (JUN)	62.1	63.5	62.7

FX	Daily stance	Comment
EURUSD	0/+	1.2570-75 expected to limit losses for a rebound to 1.2675, stop below 1.2525.
USDJPY	0	Would buy break abv 87.80 for 88.50 or hold within 87.20-70 range.
EURJPY	0	Immed suppt at 109.80. Likely to be stuck in a 109.80-110.80 range.
GBPUSD	0/+	1.5115-20 seen holding for a rebound to 1.5250. Stop below 1.5070.
AUDUSD	0/+	0.8440 crucial suppt to maintain upward momentum. Chance we push to 0.8550. Below sees 0.8380.
USDCAD	0	Suppt edging up to 1.0520 but generally seen trading 1.0520-1.0600.

FX-Options	Comment
EURUSD	Good interest to buy Thursday and Friday EUR calls in European session for 1.2750-1.28 area strikes and front end RRs given. Curve lower by NY session.
USDJPY	After vols got sold yesterday, gamma is trading at decent values especially with spot still threatening to break under 8700 and the curve looking steep.
AUDUSD	Vols started off softer but has ended up better bid as spot trades back under 8500. Buyers of AUD puts still dominate with strikes around 8250 for 2-3m area.

Equities	Daily stance	Comment
DAX	0/-	Sell on rallies towards 5910 and target 5845. Stop above 5941.
FTSE	0/-	Sell around 4930 and target 4888. Stop above 4954.
S&P500	0/-	Sell on rallies towards 1030 and target 1022. Stop above 1034.
NASDAQ100	0/-	
DJIA	0/-	

Commodities	Daily Stance	Comment
Gold	0/-	Suppt at 1,190 looks vulnerable. Sell rallies to 1,194 for test of 1,184. Stop abv 1,200
Silver	0/-	Seen capped at 17.90 lvl. Sell there for dip to 17.40. Stop abv 18.15
Oil (CLQ0)	0	Look for further consolidation 71.5-72.50 range

Earnings Releases

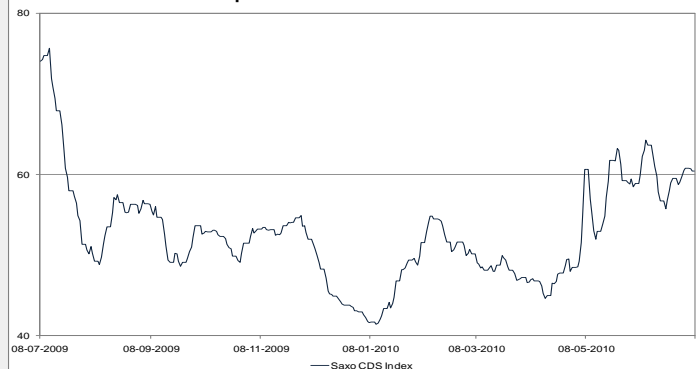
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment

US Breakeven 10 Year



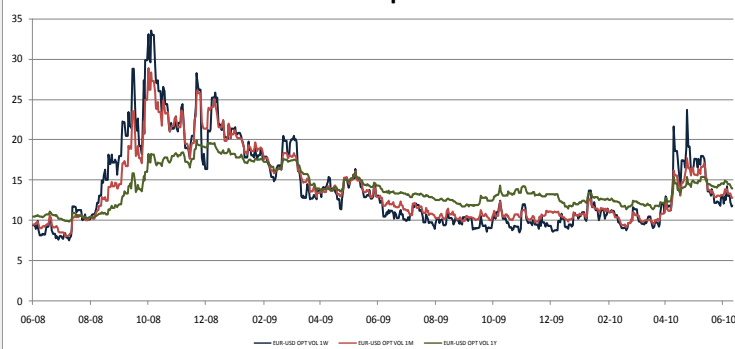
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index



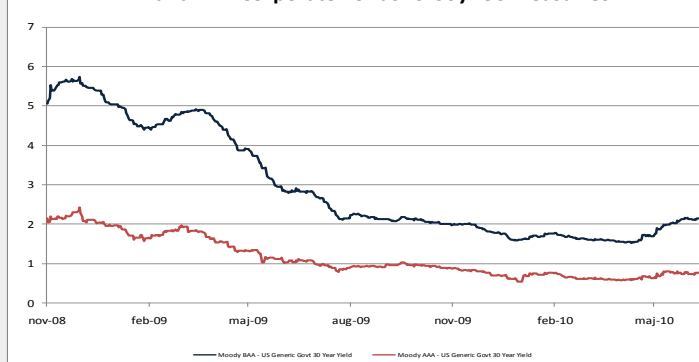
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 60.**

EURUSD Opt. Vol.



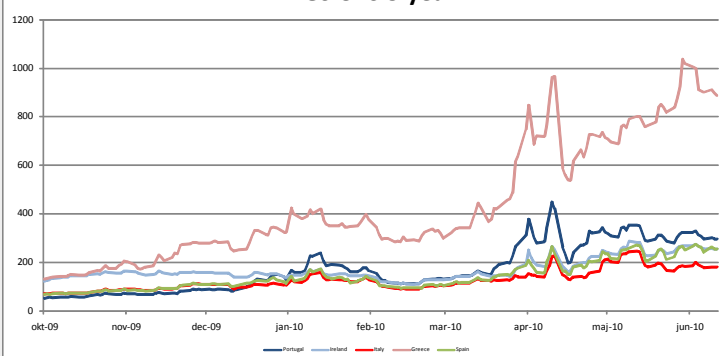
Volatility at different time horizons. Too low, now?

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 29.65** (prev. close at 30.12).

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