

## Theme Comment

- We will kick off earnings season today with Alcoa and while analysts have revised down 2Q earnings expectations (especially financials) in the last couple of months, the companies can pretty much only surprise to the upside and we do expect this. The theme 'the recovery is after all strong' will be replayed.
- Stocks rallied 0.63% from the close of the European session, but with Asian markets trading mixed overnight we expect a blurred start, but the market could gain momentum as we approach the first earnings release tonight.
- Watch out for UK GDP today as the most important macro number.

## Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
UK	08:30	GDP QoQ/YoY (1Q)	-	0.3%/-0.2%	0.3%/-0.2%
UK	08:30	Index of Services (3mth/3mth) (APR)	-	0.4%	0.2%
CA	14:30	Business Outlook Future Sales (2Q)	-	35.50	44.00

FX	Daily stance	Comment
EURUSD	0/-	Rejection abv 1.27 suggests we test lower. Sell 1.2625-30 for 1.2530, stop abv 1.2665
USDJPY	0	Current res at 89.20 lvl. Expect to stay in a 88.50-89.20 range
EURJPY	0	Channel res now at 112.35 and holding for now. Look for consolidation 111.50-112.35
GBPUSD	0/-	Seen capped at 1.51. Break below 1.50 may only reach MA suppt
AUDUSD	0	Seen ranging 0.8720-70. Break below would see 0.8650
USDCAD	0	Fri. data focuses downside. Daily MA suppt at 1.03 holding for now, below sees 1.0230. Res 1.0340

FX-Options	Comment
EURUSD	Risk reversals seemed to be picking up some bids on Friday and there was an aggressive buyer of 200mio/leg 1.21/1.25 put spread.
USDJPY	Gamma seems to have found some support. Spot extends above 89 and will likely grind higher as we see more interest to trade upside strikes <2wk.
AUDUSD	Vols mostly held steady with back end coming off slightly. Risk reversals are also easing up. Strikes between 8750 and 8800 expiring this week should keep spot rangebound.

Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 6035 targeting 6079. S/L below 6023.
FTSE	0/+	Buy on dips towards 5112 targeting 5140. S/L below 5099.
S&P500	0/+	Buy on dips towards 1071 targeting 1079. S/L below 1067.
NASDAQ100	0/+	
DJIA	0/+	

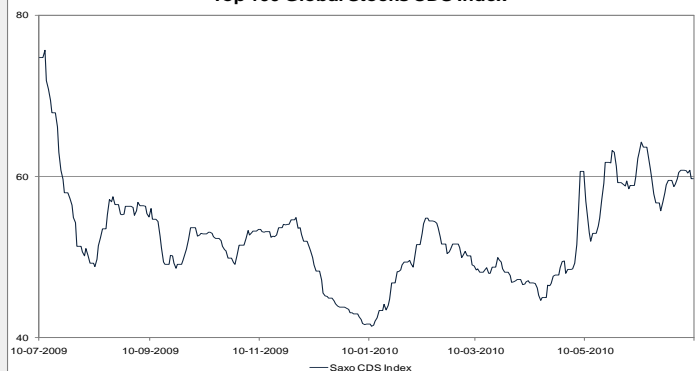
Commodities	Daily Stance	Comment
Gold	0	Res at 1,213-15 seen holding for a drift back to 1,200. Abv risks 1,225 again
Silver	0	Finding support at 18.0 but res expected 18.13 lvl
Oil (CLQ0)	0	Failure to extend abv 76.48 expects to test downside suppt 75.55

## Earnings Releases

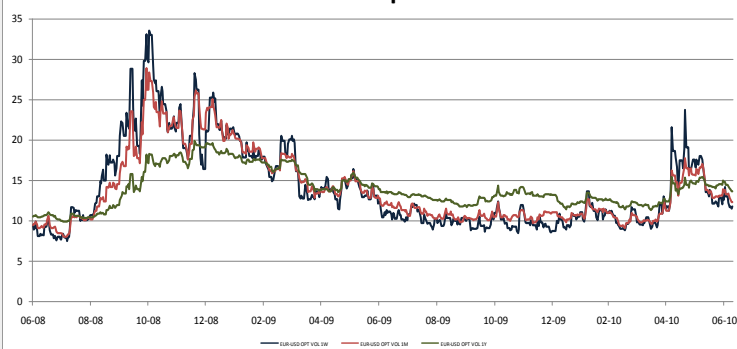
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
US	Aft-Mkt	Alcoa			

**US Breakeven 10 Year**

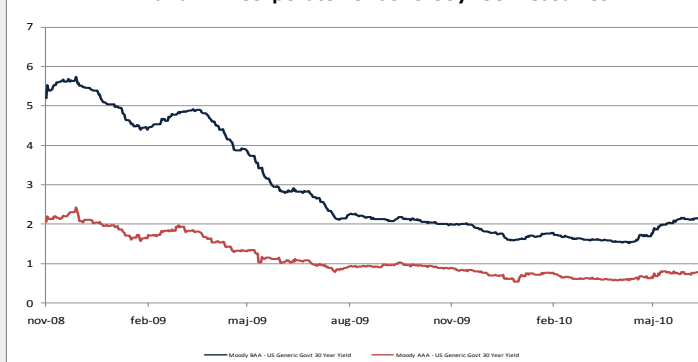

USD breakeven 10 Year – an expression for measuring inflation expectations.

**Top 100 Global Stocks CDS Index**


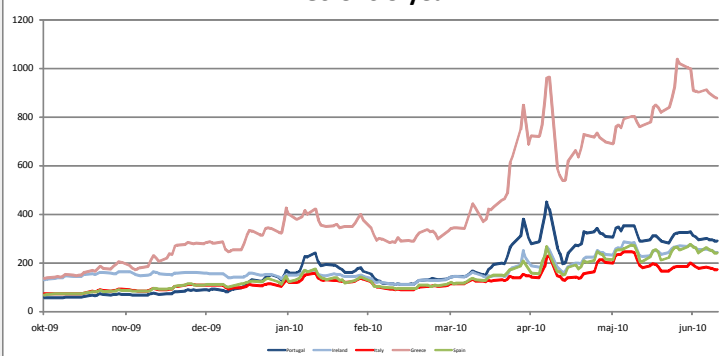
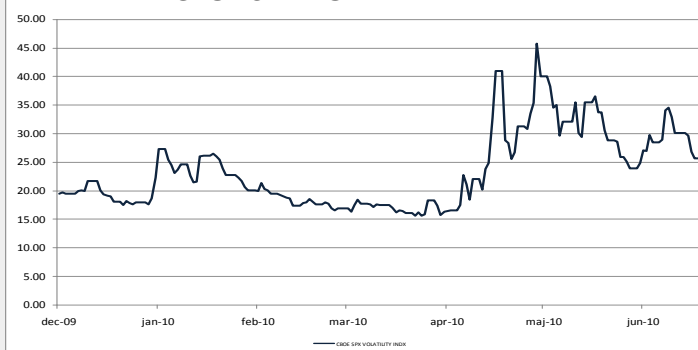
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 60.**

**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 25.71** (prev. close at 26.84).

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