

## Theme Comment

- Stocks rose in the US and Asia sessions and we expect to open around 0.25% higher in Europe; from there on we buy on dips.
- Vehicle Sales came in slightly below both consensus and last month, and is an early warning of potentially weak retail sales in the US. On another note, ABC consumer confidence remains deeply in negative territory at -49 vs. -45 expected and -48 prior.
- ISM Non-manufacturing is again below 50 at 49.8 (not 50.1), and indicates that while the manufacturing sector is indeed in some sort of a V-shaped recovery, the much larger service sector is struggling to expand at all.
- Watch out for ADP Employment today with this Friday's revision in the Nonfarm series – but note that ADP does not include public employment.

## Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
EC	10:00	Retail Sales MoM (DEC)	-0.1%	0.4%	-0.5%
US	13:15	ADP Employment Change (JAN)		-30K	-84K
US	15:00	ISM Non-manufacturing Index (JAN)	50.2	51.0	49.8

FX	Daily stance	Comment
EURUSD	0/+	Buy break of 1.3985 for a push to 1.4050, poss 1.4080. Stop below 1.3935
USDJPY	0/+	Buy dips to 90.30 for a rebound to 90.85. Stop below 89.80
EURJPY	0/+	Seen suppted at 126.0 with rebound target at 127.0. Below 125.70 defers
GBPUSD	0/+	Look for extension of rebound to target 1.6050. Suppt now 1.5950
AUDUSD	0/+	Buy break of 0.8880 for a rally to 0.8925, poss 0.8950. Stop below 0.8805

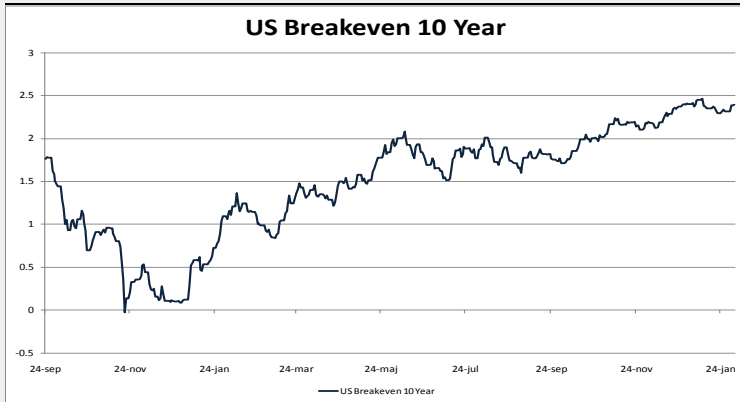
FX-Options	Comment
EURUSD	Vols continue to be sold off and the risk reversals are also lower. Market seems to be complacent about narrow spot ranges but gamma likely to remain soft as we grind to 1.40
USDJPY	Gamma continues to be soft and also some profit taking in 1 year vega space. Spot is likely to hold its ranges until Friday's nonfarm report.
AUDUSD	Vols lower after a euphoric post-RBA session yesterday where everyone was scrambling to cover short gamma and vega. Few short date upside buyers for 90 levels sub 2 week.

Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 5710 and target 5755. Stop below 5695.
FTSE	0/+	Buy on dips towards 5285 and target 5315. Stop below 5272.
S&P500	0/+	Buy on dips towards 1103 and target 1111. Stop below 1100.
NASDAQ100	0/+	
DJIA	0/+	

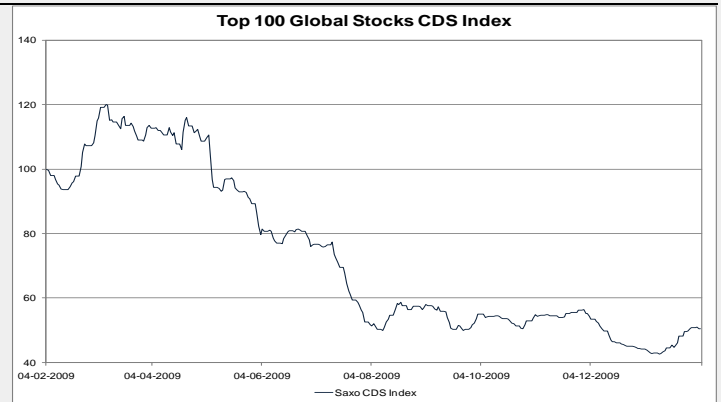
Commodities	Daily Stance	Comment
Gold	0/+	Buy on dips towards 1114 and target 1120. Stop below 1111.
Silver	0/+	Buy on dips towards 16.75 and target 16.84. Stop below 16.72.
Oil (CLH0)	0/+	Buy at the break of 77.40 and target 78.00. Stop below 77.15.

## Earnings Releases

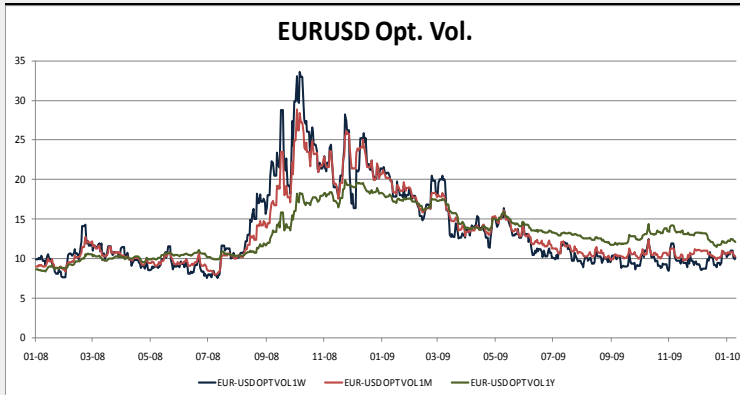
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
US	16:05	Cisco Systems	0.351	0.300	
US		Pfizer	0.506	0.520	
US	Aft-mkt	Visa	0.915	0.740	



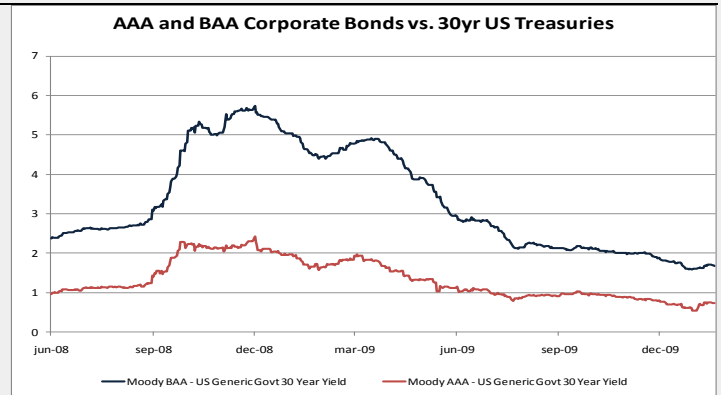
USD breakeven 10 Year – an expression for measuring inflation expectations.



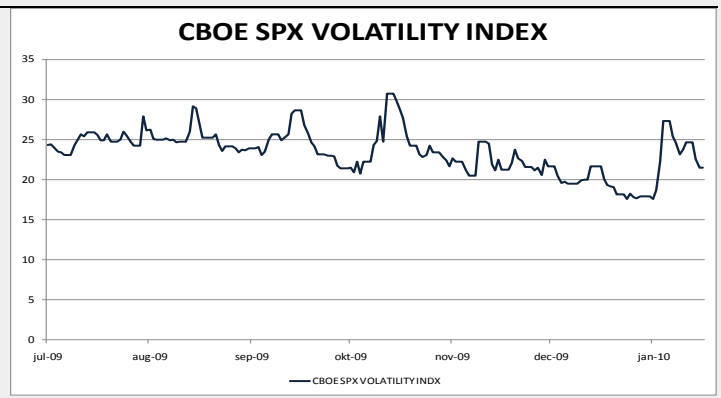
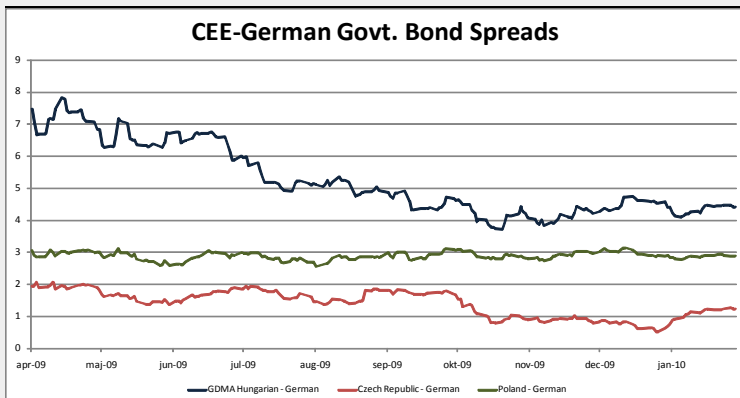
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 51.**



Volatility at different time horizons. Too low, now?



Spreads are easing, but still **showing tight corporate debt markets.**



The VIX Index is **now at 21.**

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