

## GLOBAL UPDATE & WEEK AHEAD

- 3-month bill yields turn to negative
- Central Banks Exit strategies are still unclear
- US GDP reading and FOMC Minutes will be in focus this week

Market Data*		
CDS HY 5Y	676.82	+0.62%
ITX Crossover	516.51	+1.52%
CDS Japan 5Y	143.08	+5.40%
CDS EM 5Y	110.39	-0.26%
CDS Russia 5Y	193.46	+6.65%
US Tsys 10Y	3.67%	+3.6360
US Tsys 5Y	2.30%	+2.2790
Brazil 10Y	4.94%	+4.8933
UK 10Y	3.65%	+3.6130
Germany 10Y	3.23%	+3.1990
LIBOR-OIS	0.1319	-0.0044
EUR/USD	1.4975	+0.09%
USD/JPY	88.8655	-0.65%
EUR/GBP	0.9006	+0.70%
Oil Brent	78.34	+1.70%
Gold	1165.5	+3.28%
Copper	6845	+4.98%
Nickel	16543	+3.08%
S&P 500	1091.38	-0.19%
Topix	837	-3.01%
Shanghai Comp	3,338.66	+1.94%
DJ EURO Stoxx	2876.22	-1.34%
VIX	22.19	-5.01%

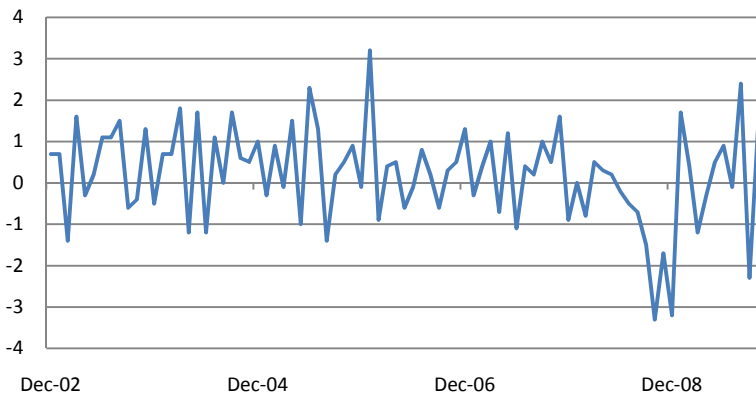
\*Weekly change, as of 14:00 GMT, Bloomberg

### US bond market is still dominated by economy concerns

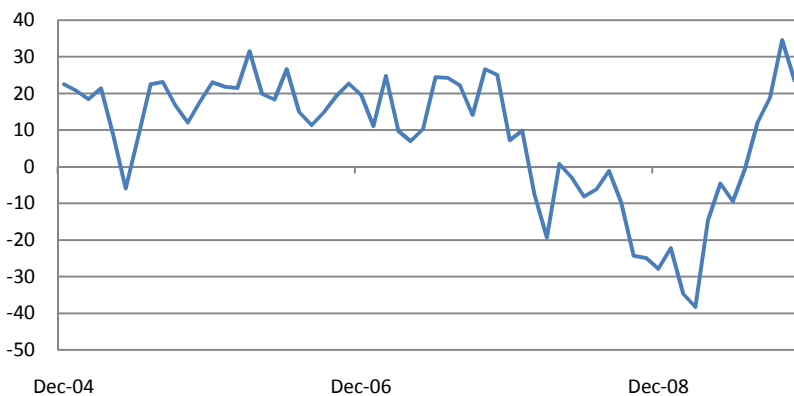
US Markets were rather calm last week. While short-term bills turned to negative, 2y and 10y notes yields also fell as a reaction on weak US housing markets. Voices arise reminding that Alt-A mortgage problem peak is yet to come in 2011 – 2012.

Statistics data were mostly soft. Headline Retail sales indicator rose 1.4, well ahead of consensus of 0.9% due to rise of auto component. Retail sales ex Auto & Gas rose 0.3% meeting expectations.

Advanced Retail sales, monthly

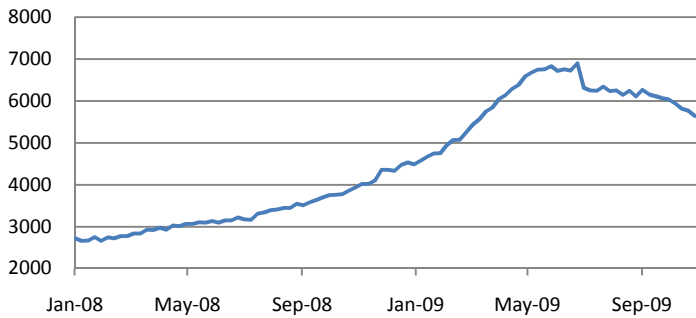


Empire State manufacturing index fell to 23.5 points in November, well below the consensus of 30 points.



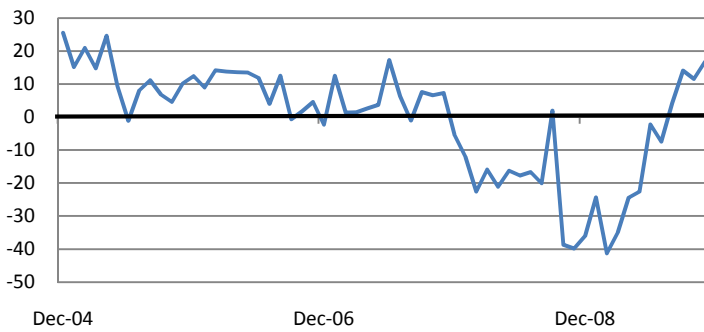
Initial jobless claims were unchanged at 505,000 in the survey week, slightly above consensus expectations of 504,000 and Continuing jobless claims fell 39,000 to 5.611mn (consensus – 5.598 mn) for the 9<sup>th</sup> week in a row.

Continuing jobless claims, th., sa, rhs



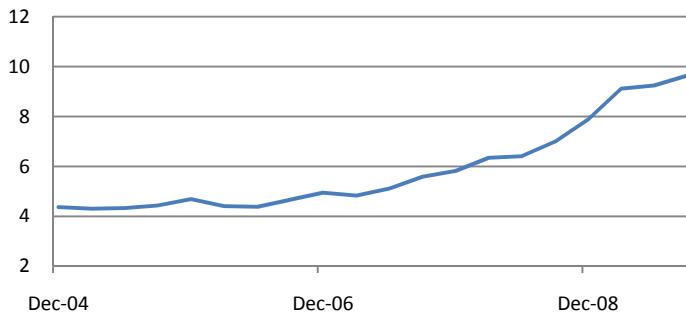
The Philadelphia Fed manufacturing index increased to 16.7 in November from 11.5 in October, above consensus estimates of 12.2 due to good performance of new orders and shipments components.

Philadelphia Fed manufacturing index



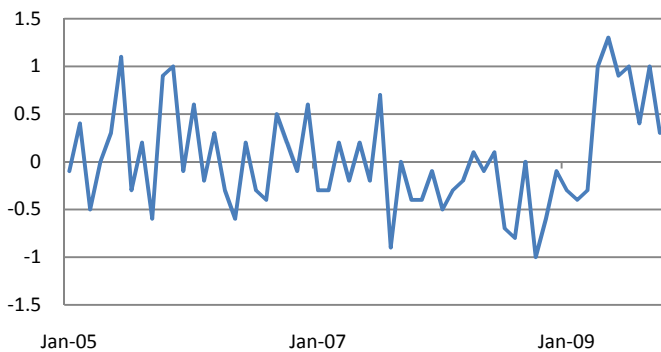
The main point of negative was Mortgage delinquencies index, which rose 9.64%, above forecast of 9.24%.

Mortgage delinquencies rate, mth.



The US leading indicators index rose 0.3% in October, below expectations of 0.4%. The biggest drag on came from consumer expectations and building permits while interest rate spread and rising stocks contributed positively to the index.

US leading indicators index



We also heard a few speakers from ECB and Fed. Although ECB is unlikely to raise rates till 2011, tone of the speakers may indicate that unconventional measures are likely to be reversed soon. Fed is also unlikely to tighten for an extended period of time. At the week-end, Fed Bullard (non-voter) urged Fed to extend the central bank asset-purchase program, what drove the US currency lower on Monday morning.

## The Week Ahead

This week the most important events will be FOMC minutes on Tuesday which are likely to expose discussion around parameters of the US Economy as well as the 4Q GDP forecast itself. We will also see Existing home sales data on Monday, S&P/Case Shiller index and Consumer Confidence data on Tuesday, Michigan confidence index on Friday and regular jobless claims data on Wednesday. Large US Treasuries auctions will affect the situation at the bond market and 10 S&P 500 companies will report 3Q earnings.

In Europe, Germany GDP and CPI data will be of interest and UK GDP data will also be focused on.

Economic Calendar*					
Time, GMT	Country	Data	Period	Consensus	Prior
11/23/2009 15:00	US	Existing Home Sales	OCT	5.70M	5.57M
11/23/2009 15:00	US	Existing Home Sales MoM	OCT	2.30%	9.40%
11/24/2009 07:00	GE	GDP s.a. (QoQ)	3Q F	0.70%	0.70%
11/24/2009 07:00	GE	GDP wda (YoY)	3Q F	-4.80%	-4.80%
11/24/2009 07:00	GE	GDP nsa (YoY)	3Q F	-4.70%	-4.70%
11/24/2009 09:00	GE	IFO - Business Climate	NOV	92.5	91.9
11/24/2009 09:30	UK	Total Business Investment(QoQ)	3Q P	-5.00%	-10.20%
11/24/2009 09:30	UK	Total Business Investment(YoY)	3Q P	-22.90%	-21.80%
11/24/2009 13:30	US	GDP QoQ (Annualized)	3Q S	2.80%	3.50%
11/24/2009 13:30	US	Personal Consumption	3Q S	3.20%	3.40%
11/24/2009 13:30	US	GDP Price Index	3Q S	0.80%	0.80%
11/24/2009 13:30	US	Core PCE QoQ	3Q S	1.40%	1.40%
11/24/2009 14:00	US	S&P/CaseShiller Home Price Ind	SEP	--	146
11/24/2009 14:00	US	S&P/Case-Shiller US HPI YOY%	3Q	-10.30%	-14.90%
11/24/2009 15:00	US	Consumer Confidence	NOV	47.5	47.7
11/24/2009 15:00	US	Richmond Fed Manufact. Index	NOV	8	7
11/24/2009 15:00	US	House Price Index MoM	SEP	0.10%	-0.30%
11/24/2009 15:00	US	House Price Purchase Index QoQ	3Q	0.30%	-0.70%
11/24/2009 19:00	US	Minutes of Nov. 4 FOMC Meeting	25-		
11/24/2009 22:00	US	ABC Consumer Confidence	22-	--	-45

## Global Markets Weekly

11/25/2009 07:00	GE	GfK Consumer Confidence Survey	DEC	4	4
11/25/2009 09:30	UK	GDP (QoQ)	3Q P	-0.30%	-0.40%
11/25/2009 09:30	UK	GDP (YoY)	3Q P	-5.10%	-5.20%
11/25/2009 12:00	US	MBA Mortgage Applications	20-	--	-2.50%
11/25/2009 13:30	US	Personal Income	OCT	0.10%	0.00%
11/25/2009 13:30	US	Personal Spending	OCT	0.50%	-0.50%
11/25/2009 13:30	US	PCE Core (MoM)	OCT	0.10%	0.10%
11/25/2009 13:30	US	PCE Core (YoY)	OCT	1.40%	1.30%
11/25/2009 13:30	US	PCE Deflator (YoY)	OCT	0.10%	-0.50%
11/25/2009 13:30	US	Durable Goods Orders	OCT	0.50%	1.00%
11/25/2009 13:30	US	Durables Ex Transportation	OCT	0.70%	0.90%
11/25/2009 13:30	US	Initial Jobless Claims	21-	500K	505K
11/25/2009 13:30	US	Continuing Claims	14-	5565K	5611K
11/25/2009 15:00	US	U. of Michigan Confidence	NOV F	67	66
11/25/2009 15:00	US	New Home Sales	OCT	405K	402K
11/25/2009 15:00	US	New Home Sales MoM	OCT	0.80%	-3.60%
11/25/2009 15:30	US	DOE U.S. Crude Oil Inventories	20-	--	-887K
11/25/2009 15:30	US	DOE U.S. Gasoline Inventories	20-	--	-1755K
11/25/2009 15:30	US	DOE U.S. Distillate Inventory	20-	--	-328K
11/26/2009 11:00	UK	U.K. CBI Quaterly Distributive Trades	27-		
11/26/2009	GE	Consumer Price Index (MoM)	NOV P	0.00%	0.10%
11/26/2009	GE	Consumer Price Index (YoY)	NOV P	0.50%	0.00%
11/26/2009	GE	CPI - EU Harmonised (MoM)	NOV P	0.00%	0.10%
11/26/2009	GE	CPI - EU Harmonised (YoY)	NOV P	0.50%	-0.10%
11/27/2009 07:00	GE	Import Price Index (MoM)	OCT	0.40%	-0.90%
11/27/2009 07:00	GE	Import Price Index (YoY)	OCT	-7.80%	-11.00%

Central Bank Speakers & Auctions		
Time	Ct	Event
11/23/2009 08:30	EC	ECB's Ordonez Speaks in Madrid
11/23/2009 11:00	PO	ECB's Constancio Speaks at Conference in Parliament
11/23/2009 13:00	EC	ECB's Trichet Speaks in Madrid
11/23/2009 16:30	US	U.S. to Sell USD30 Bln 3-Month Bills
11/23/2009 16:30	US	U.S. to Sell USD31 Bln 6-Month Bills
11/23/2009 18:00	US	U.S. to Sell USD44 Bln 2-Year Notes
11/24/2009 16:30	US	U.S. to Sell 4-Week Bills
11/24/2009 18:00	US	U.S. to Sell USD42 Bln 5-Year Notes
11/24/2009 19:00	US	Minutes of Nov. 4 FOMC Meeting
11/25/2009 15:00	EC	ECB's Mersch Speaks at Luxembourg-Based Conference
11/25/2009 18:00	US	U.S. to Sell USD32 Bln 7-Year Notes
11/26/2009 10:15	EC	ECB's Weber Speaks in Leipzig, Germany
11/26/2009 17:00	EC	ECB's Weber Speaks in Berlin
11/27/1998 11/28	EC	EU's Trichet, Almunia, Juncker at EU-China Meeting in Nanjing
11/23/2009 08:30	EC	ECB's Ordonez Speaks in Madrid
11/23/2009 11:00	PO	ECB's Constancio Speaks at Conference in Parliament

## Global Markets Weekly

Earnings calendar, Europe*				
Company Name	Ticker	Date	Time	Cons.
National Bank of Greece SA	ETE GA	11/23/2009	15:30	0.55
OPAP SA	OPAP GA	11/23/2009	Aft-mkt	0.42
Severn Trent PLC	SVT LN	11/24/2009	7:00	0.508
EFG Eurobank Ergasias SA	EUROB GA	11/24/2009	Aft-mkt	0.2
Topdanmark A/S	TOP DC	11/24/2009		27.7
De La Rue PLC	DLAR LN	11/24/2009		
SSL International PLC	SSL LN	11/24/2009		0.141
Homeserve PLC	HSV LN	11/24/2009		0.209
Atrium European Real Estate Ltd	ATRS AV	11/25/2009	Bef-mkt	
Johnson Matthey PLC	JMAT LN	11/25/2009	7:00	0.388
Titan Cement Co SA	TITK GA	11/25/2009	Aft-mkt	0.38
Marfin Investment Group SA	MIG GA	11/25/2009	Aft-mkt	
Porsche Automobil Holding SE	PAH3 GR	11/25/2009		-12.189
Atkins WS PLC	ATK LN	11/25/2009		0.301
London Stock Exchange Group	LSE LN	11/25/2009		0.274
United Utilities Group PLC	UU/ LN	11/25/2009		0.319
Cimpor Cimentos de Portugal	CPR PL	11/25/2009		
Compass Group PLC	CPG LN	11/25/2009		0.29
QinetiQ Group PLC	QQ/ LN	11/25/2009		0.047
Aceryg SA	ACY NO	11/25/2009		
Mitchells & Butlers PLC	MAB LN	11/26/2009		0.223
Daily Mail & General Trust	DMGT LN	11/26/2009		0.36
DSG International Plc	DSGI LN	11/26/2009		
Antofagasta PLC	ANTO LN	11/26/2009		0.23
Carphone Warehouse Group PLC	CPW LN	11/27/2009		0.043
Thomas Cook Group PLC	TCG LN	11/30/2009	7:00	0.256
Colruyt SA	COLR BB	11/30/2009	16:45	5.05
UBISOFT Entertainment	UBI FP	11/30/2009		-0.518
Aryzta AG	ARYN SW	11/30/2009		

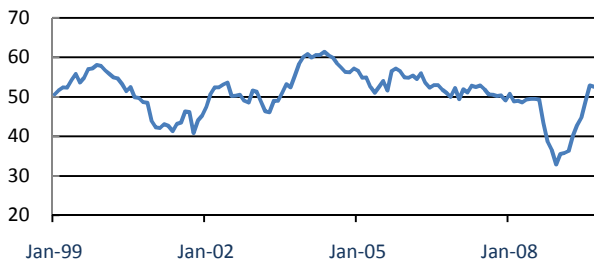
## Global Markets Weekly

Earnings calendar, US*				
Company Name	Ticker	Date	Time	Cons.
Tyson Foods Inc	TSN US	11/23/2009	14:00	0.27
Analog Devices Inc	ADI US	11/23/2009	21:00	0.259
Hewlett-Packard Co	HPQ US	11/23/2009	Aft-mkt	1.122
Nuance Communications Inc	NUAN US	11/23/2009	Aft-mkt	0.295
Brocade Communications	BRCD US	11/24/2009	0:00	0.131
Arthrocare Corp	ARTC US	11/23/2009		-0.01
Campbell Soup Co	CPB US	11/23/2009		0.813
BJ Services Co	BJS US	11/23/2009		0.024
Zale Corp	ZLC US	11/24/2009	Bef-mkt	-2.002
Medtronic Inc	MDT US	11/24/2009	12:15	0.743
American Eagle Outfitters Inc	AEO US	11/24/2009	13:00	0.21
Blue Coat Systems Inc	BCSI US	11/24/2009		0.259
Barnes & Noble Inc	BKS US	11/24/2009		-0.244
J Crew Group Inc	JCG US	11/24/2009		0.566
Dollar Tree Inc	DLTR US	11/24/2009		0.656
Carter's Inc	CRI US	11/24/2009		0.674
HJ Heinz Co	HNZ US	11/24/2009		0.695
Deere & Co	DE US	11/25/2009		0.056
Tiffany & Co	TIF US	11/25/2009		0.235
Aspen Technology Inc	AZPN US	11/30/2009		-0.27
Guess? Inc	GES US	11/30/2009		0.504

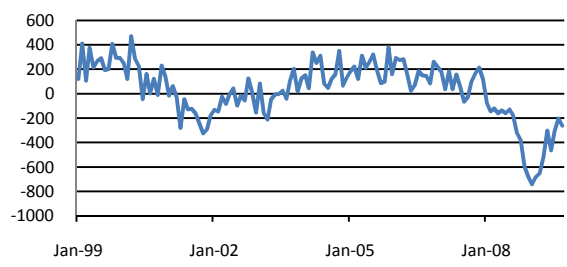
\*Data provided by Bloomberg

### Economic monitor

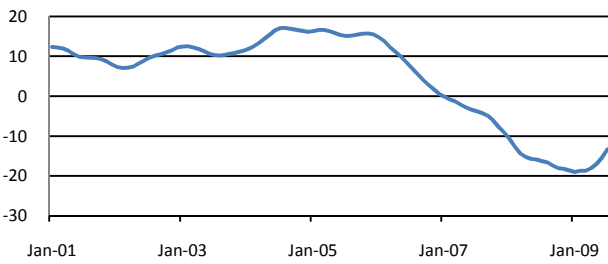
ISM Manufacturing survey



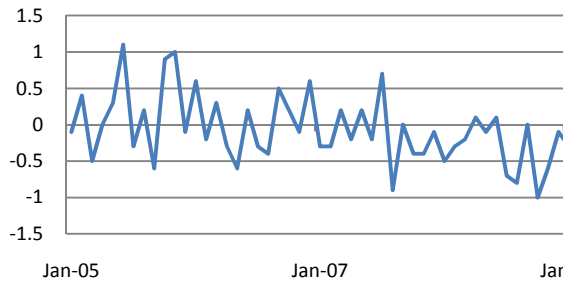
Non-farm payrolls, month



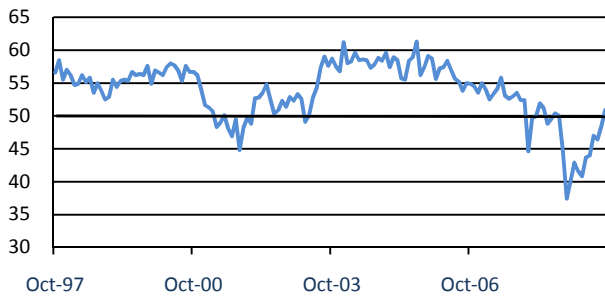
S&P/Case-Shiller Composite Index



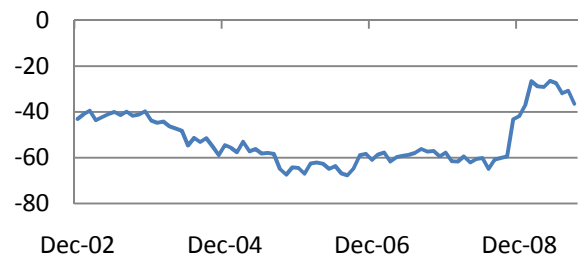
US leading indicators index



ISM Non-Manufacturing Index



US Trade Deficit



### Technical Analyst View

S&P 500 Index, 60 min



Situation has hardly changed during the previous week. S&P 500 Index tested support around 1090 and if 1120 is broken, after consolidation new highs (1160) are likely to be reached soon. Yet, price should hold above 1110 to confirm the bullish scenario. Current support can be seen around 1080, 1050 levels.

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