

GLOBAL UPDATE & WEEK AHEAD

- Holiday week was favourable for stocks
- Fear indicators go on sliding
- Asian recovery is on the way

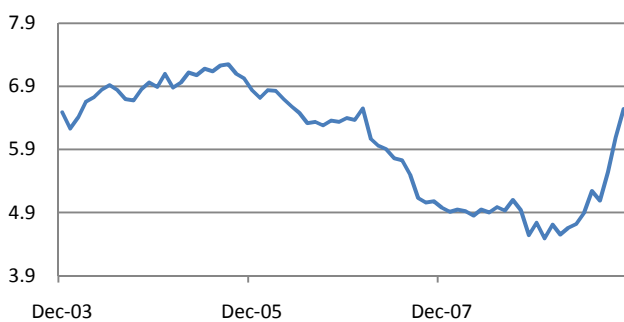
Market Data*		
CDS HY 5Y	498.96	-8.11%
ITX Crossover	437.95	-6.91%
CDS Japan 5Y	132.00	-5.88%
CDS EM 5Y	110.54	+0.35%
CDS Russia 5Y	185.27	-2.91%
US Tsys 10Y	4.09%	+4.0495
US Tsys 5Y	2.84%	+2.8093
Brazil 10Y	5.06%	+5.0134
UK 10Y	3.99%	+3.9533
Germany 10Y	3.31%	+3.2816
LIBOR-OIS	0.0856	-0.0057
EUR/USD	1.4381	+0.62%
USD/JPY	91.52	+1.05%
EUR/GBP	0.9013	+1.53%
Oil Brent	76.65	+3.68%
Gold	1111.9	-0.04%
Copper	7070	+3.29%
Nickel	18571	+9.05%
S&P 500	1126.48	+2.18%
Topix	914	+2.75%
Shanghai Comp	3,188.79	+2.11%
DJ EURO Stoxx	2957.48	+2.52%
VIX	19.47	-10.19%

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

Markets went on rising in the shortened holiday week. Risk appetite indicators reflect fear to disappear as it's shown in the indicators' table at page 1.

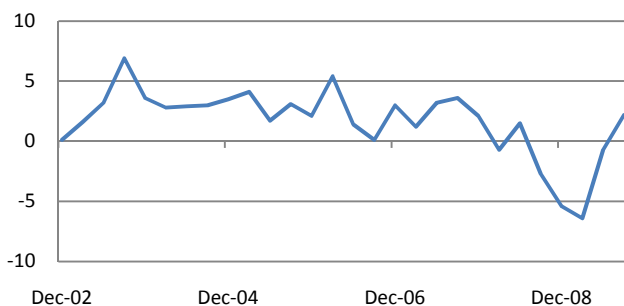
US statistics was mixed. Home sales rose 7.4% to 6.54 mn, above consensus expectations of 6.25 mn, 45% up from the beginning of the year. Home Inventories fell 1.3% and now are 23% below the peak of July, 2008.

US Existing Home sales, mn



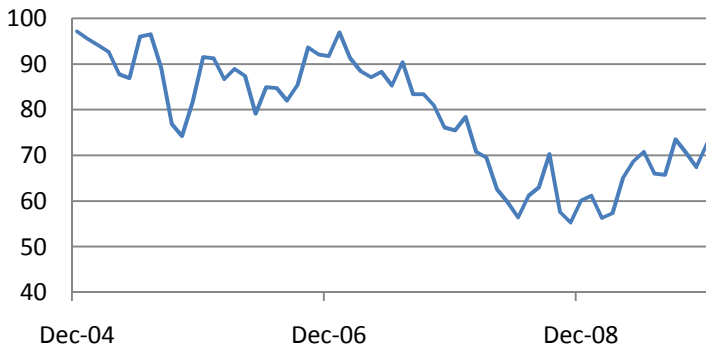
The third estimate of Q3 GDP was revised downward to growth of 2.2% from 2.8% in the prior release (consensus - 2.8%). Revision was broad based, but the main component revised down was fixed investment (-1.3% vs a 0.3% rise) due to a sharper decline in non-residential investment (-5.9% versus -4.1%)

US GDP, QoQ.



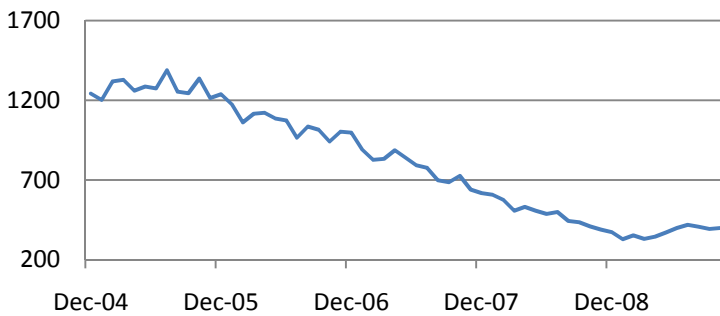
University of Michigan Consumer confidence unexpectedly slid to 72.5 points in December (consensus – 73.8 p.).

Uof Michigan Consumer Confidence Index, p.



New Home Sales fell to 355K in November (-11.3%), what was a very disappointing reading, but market reaction to the data was muted.

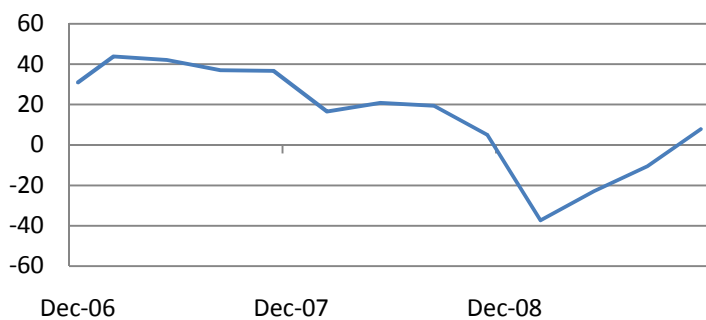
New Home Sales, thous.



Asian data, released on 28th of December were more on the upbeat note.

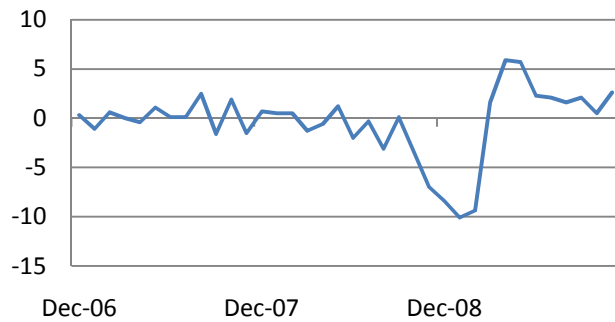
Industrial profits rose 7.8% YoY in November, confirming strong upward trend of the Chinese recovery.

China Industrial profits, YoY



Japanese Nikkei rose 1.33% after the series of economic data. Industrial Production climbed 2.6% MoM in November and Japanese government said GDP will expand 1.4% next financial year.

Japan Industrial Production, MoM



The Week Ahead

This week few data will be released.

In Europe, German CPI data for December will be released on Tuesday (consensus - +0.6% MoM) and M3 data for Euro-zone will be released on Wednesday.

In the US, the week starts with the Treasuries auction – \$44 bn 2-year notes will be sold. On Tuesday, S&P/Case-Shiller home prices Index will be released. The Index is expected to rise slightly to 147 p. in October. On Wednesday, Chicago PMI survey will be released and \$32 bn. US 7-year Treasuries will take place. On Thursday weekly jobless claims data will be released.

In Asia, chinese leading index for November will be released on Wednesday and PMI Manufacturing survey for December will be released on Friday.

Next weekly report will be released on the 18th of January.

Merry Christmas and Happy New Year!

Economic Calendar*					
Time, GMT	Country	Data	Period	Consensus	Prior
12/29/2009	GE	Consumer Price Index (MoM)	DEC P	0.60%	-0.10%
12/29/2009	GE	Consumer Price Index (YoY)	DEC P	0.70%	0.40%
12/29/2009	GE	CPI - EU Harmonised (MoM)	DEC P	0.70%	-0.20%
12/29/2009 14:00	US	S&P/CS Composite-20 YoY	OCT	-7.10%	-9.36%
12/29/2009 15:00	US	Consumer Confidence	DEC	53	49.5
29-30 DEC	CH	Leading Index	NOV	--	105.56
12/29/2009 22:00	US	ABC Consumer Confidence	27-	--	-42
12/30/2009 09:00	EC	Euro-Zone M3 s.a. (YoY)	NOV	0.40%	0.30%
12/30/2009 14:45	US	Chicago Purchasing Manager	DEC	55.1	56.1
12/30/2009 15:30	US	DOE U.S. Crude Oil Inventories	25-	--	-4841K
12/30/2009 15:30	US	DOE U.S. Gasoline Inventories	25-	--	-883K
12/30/2009 15:30	US	DOE U.S. Distillate Inventory	25-	--	-3027K
12/31/2009 13:30	US	Initial Jobless Claims	26-	460K	452K
12/31/2009 13:30	US	Continuing Claims	19-	5100K	5076K
01/01/2010 01:00	CH	PMI Manufacturing	DEC	55.3	55.2
01/04/2010 02:30	CH	HSBC Manufacturing PMI	DEC	--	55.7
04-08 JAN	GE	Retail Sales (MoM)	NOV	0.30%	0.50%
04-08 JAN	GE	Retail Sales (YoY)	NOV	-1.70%	-1.70%
01/04/2010 08:55	GE	PMI Manufacturing	DEC F	53.1	53.1
01/04/2010 09:00	EC	PMI Manufacturing	DEC F	51.6	51.2
01/04/2010 15:00	US	ISM Manufacturing	DEC	54	53.6
01/04/2010 15:00	US	Construction Spending MoM	NOV	-0.50%	0.00%
01/04/2010 23:50	JN	Monetary Base (YoY)	DEC	--	3.80%
01/05/2010 05:00	JN	Vehicle Sales (YoY)	DEC	--	36.00%
01/05/2010 08:55	GE	Unemployment Change (000's)	DEC	5K	-7K
01/05/2010 08:55	GE	Unemployment Rate (s.a)	DEC	8.10%	8.10%
01/05/2010 10:00	EC	Euro-Zone CPI Estimate (YoY)	DEC	0.90%	0.60%
01/05/2010 15:00	US	Factory Orders	NOV	0.50%	0.60%
01/05/2010 15:00	US	Pending Home Sales MoM	NOV	-2.10%	3.70%
01/05/2010 15:00	US	Pending Home Sales YoY	NOV	--	28.60%
01/05/2010 22:00	US	ABC Consumer Confidence	3-Jan	--	--
01/05/2010	US	Total Vehicle Sales	DEC	11.00M	10.92M
01/05/2010	US	Domestic Vehicle Sales	DEC	8.30M	8.36M
01/06/2010 08:55	GE	PMI Services	DEC F	53.1	53.1
01/06/2010 09:00	EC	PMI Services	DEC F	53.7	53

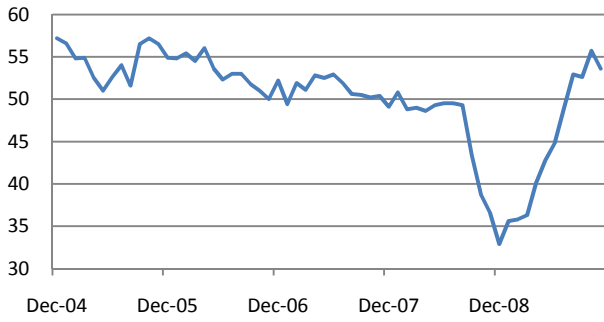
Global Markets Weekly

01/06/2010 09:00	EC	PMI Composite	DEC F	54.2	53.7
01/06/2010 10:00	EC	Euro-Zone PPI (MoM)	NOV	0.20%	0.20%
01/06/2010 10:00	EC	Euro-Zone PPI (YoY)	NOV	-4.60%	-6.70%
01/06/2010 10:00	EC	Industrial New Orders SA (MoM)	OCT	-1.00%	1.50%
01/06/2010 10:00	EC	Industrial New Orders SA (YoY)	OCT	-11.10%	-16.50%
01/06/2010 12:00	US	MBA Mortgage Applications	25-	--	-10.70%
01/06/2010 13:15	US	ADP Employment Change	DEC	-75K	-169K
01/06/2010 15:00	US	ISM Non-Manf. Composite	DEC	50.3	48.7
01/06/2010 15:30	US	DOE U.S. Crude Oil Inventories	1-Jan	--	--
01/06/2010 15:30	US	DOE U.S. Gasoline Inventories	1-Jan	--	--
01/06/2010 15:30	US	DOE U.S. Distillate Inventory	1-Jan	--	--
01/06/2010 19:00	US	Fed Releases Minutes from Dec. 15-16	6-Jan		
01/07/2010 10:00	EC	Euro-Zone Consumer Confidence	DEC	-16	-17
01/07/2010 10:00	EC	Euro-Zone Retail Sales (MoM)	NOV	0.10%	0.00%
01/07/2010 10:00	EC	Euro-Zone Retail Sales (YoY)	NOV	-1.80%	-1.90%
01/07/2010 10:00	EC	Euro-Zone Economic Confidence	DEC	89.7	88.8
01/07/2010 10:00	EC	Euro-Zone Indust. Confidence	DEC	-18	-19
01/07/2010 10:00	EC	Euro-zone Services Confidence	DEC	--	-4
01/07/2010 11:00	GE	Factory Orders MoM (sa)	NOV	1.50%	-2.10%
01/07/2010 11:00	GE	Factory Orders YoY (nsa)	NOV	-0.40%	-8.50%
01/07/2010 13:30	US	Initial Jobless Claims	2-Jan	--	--
01/07/2010 13:30	US	Continuing Claims	26-	--	--
01/08/2010 05:00	JN	Leading Index CI	NOV P	--	89.4
01/08/2010 05:00	JN	Coincident Index CI	NOV P	--	94.3
01/08/2010 07:00	GE	Trade Balance	NOV	12.5B	13.6B
01/08/2010 07:00	GE	Current Account (EURO)	NOV	10.4B	11.0B
01/08/2010 07:00	GE	Imports SA (MoM)	NOV	1.80%	-2.40%
01/08/2010 07:00	GE	Exports SA (MoM)	NOV	0.80%	2.50%
01/08/2010 10:00	EC	Euro-Zone GDP s.a. (QoQ)	3Q F	0.40%	0.40%
01/08/2010 10:00	EC	Euro-Zone GDP s.a. (YoY)	3Q F	-4.10%	-4.10%
01/08/2010 10:00	EC	Euro-Zone Unemployment Rate	NOV	9.90%	9.80%
01/08/2010 11:00	GE	Industrial Production MoM (sa)	NOV	1.00%	-1.80%
01/08/2010 11:00	GE	Industrial Prod. YoY (nsa wda)	NOV	-8.00%	-12.40%
01/08/2010 13:30	US	Change in Nonfarm Payrolls	DEC	-10K	-11K
01/08/2010 13:30	US	Unemployment Rate	DEC	10.10%	10.00%
01/08/2010 13:30	US	Change in Manufact. Payrolls	DEC	-35K	-41K
01/08/2010 15:00	US	Wholesale Inventories	NOV	-0.30%	0.30%
01/08/2010 20:00	US	Consumer Credit	NOV	-\$5.0B	-\$3.5B

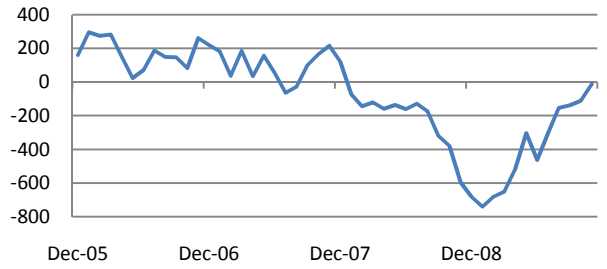
Central Bank Speakers & US Treasuries Auctions		
Time	Ct	Event
12/28/2009 16:30	US	U.S. to Sell USD28 Bln 3-Month Bills
12/28/2009 16:30	US	U.S. to Sell USD29 Bln 6-Month Bills
12/28/2009 18:00	US	U.S. to Sell USD44 Bln 2-Year Notes
12/29/2009 16:30	US	U.S. to Sell 4-Week Bills
12/29/2009 18:00	US	U.S. to Sell USD42 Bln 5-Year Notes
12/30/2009 18:00	US	U.S. to Sell USD32 Bln 7-Year Notes
01/03/2010 15:15	US	Fed's Lockhart Moderates Panel on Future of GSEs in Atlanta
01/03/2010 15:15	US	Fed's Kohn, CEA's Romer Speak to Economists in Atlanta
01/03/2010 15:30	US	Bernanke Speaks to Economists in Atlanta
01/04/2010 15:15	US	Fed's Lockhart Moderates Financial-Crisis Panel in Atlanta
01/04/2010 16:30	US	U.S. to Sell 3-Month Bills
01/04/2010 16:30	US	U.S. to Sell 6-Month Bills
01/04/2010 18:15	US	Fed's Duke Speaks on Economic Outlook in North Carolina
01/05/2010 13:00	US	Fed's Hoenig to Speak on Ending Government Bailouts in Atlanta
01/05/2010 16:30	US	U.S. to Sell 4-Week Bills
01/07/2010 05:00	US	Fed's Bullard to Speak at Shanghai Jiao Tong University Forum
01/07/2010 18:00	US	Fed's Hoenig to Speak on Economic Outlook in Kansas City
01/08/2010 05:00	US	Fed's Bullard to Speak at Shanghai University of Finance
01/08/2010 18:35	US	Fed's Lacker Speaks on Economic Outlook in Maryland

Economic monitor

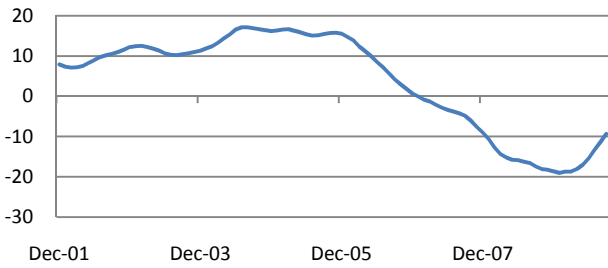
ISM Manufacturing Index



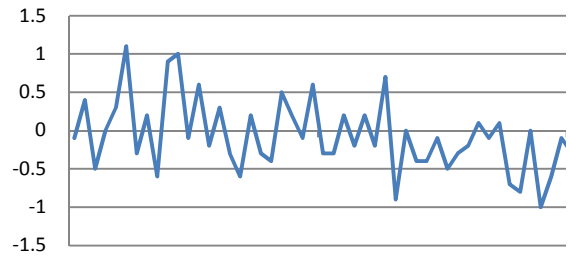
ADP Payrolls



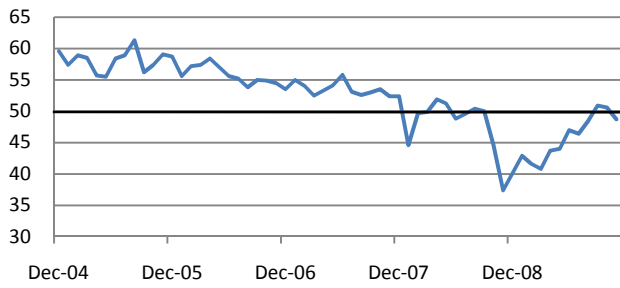
S&P Case/Shiller Index



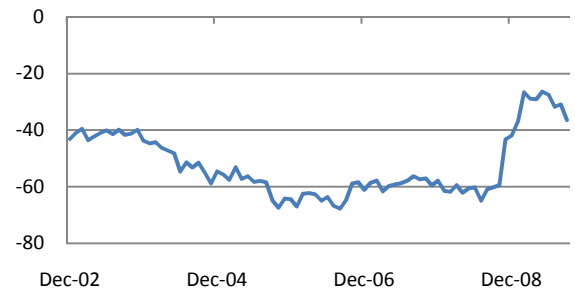
US leading indicators index



ISM Non-Manufacturing



US Trade Deficit



*Data provided by Bloomberg

Technical View

S&P 500 Index, daily



S&P 500 index seems to be breaking up the expanding triangle 1090-1120. If the breakout is successful, 1150-1170 will be next resistance level. But the major expanding triangle is a hardly predictable pattern. It may end up as an ending triangle – downward reversal figure. In this case breaking 1050 will lead to testing support around 1000.

Dow Jones Stoxx 600 Europe Index, daily



DJ Stoxx 600 looks similar to the US stocks index. Breaking up expanding triangle may result in breaking recent highs with final target around 278 points. If the price breaks support 239 points, next support may be found around 236 points. However if the triangle turns out to be unlimited, the price can consolidate in the range 235-260 for 1-2 months.

EURUSD, daily



EURUSD seems to form long term down-headed reversal pattern. In this case 5th wave of the C (B)-wave is over and A(C) has started. Alternate count (with current leg as the 4th wave) is possible, but even in this count the price is highly likely to test 200 MA levels as 4th wave support (1.38 – 1.39) in the near future. In the coming days rebound to 1.45 – 1.46 is possible.

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