

Global Markets Weekly Preview

February 08, 2010

GLOBAL UPDATE & WEEK AHEAD

- Greece worries triggered sell-off in equity markets
- US labour market data weaker than expected
- China data in focus this week

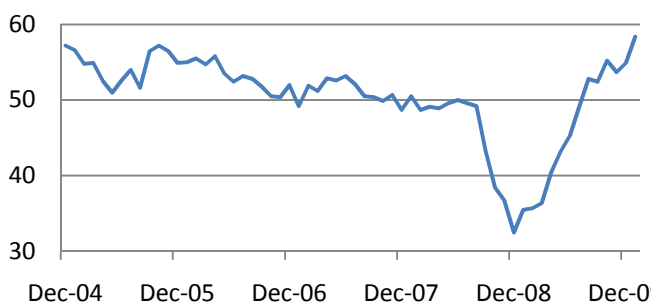
Market Data*		
CDS HY 5Y	601.40	+3.54%
ITX Crossover	500.70	+11.61%
CDS Japan 5Y	154.93	+8.59%
CDS EM 5Y	109.08	-0.69%
CDS Russia 5Y	212.63	+10.93%
US Tsys 10Y	3.77%	+3.7300
US Tsys 5Y	2.42%	+2.3903
Brazil 10Y	5.37%	+5.3224
UK 10Y	3.93%	+3.8933
Germany 10Y	3.08%	+3.0521
EUR/USD	1.3707	-1.40%
USD/JPY	89.49	-1.03%
EUR/GBP	0.8774	+0.53%
Oil Brent	70.34	-1.59%
Gold	1072.8	-0.98%
Copper	6280	-6.89%
Nickel	16976	-7.91%
S&P 500	1066.19	-0.72%
Topix	886.5	-1.28%
Shanghai Comp	2,935.17	-0.21%
DJ EURO Stoxx	2663.93	-3.45%
VIX	26.11	+6.05%

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

Equities were sold off during the recent week – Greece credit problems weighed on risk appetite and urged investors to seek “safe heaven”.

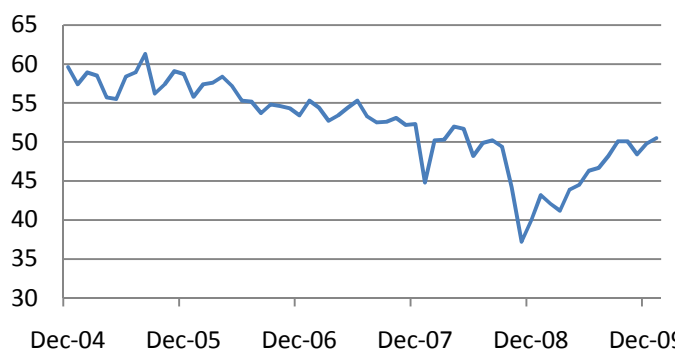
The start of the week was rather optimistic. ISM Manufacturing index rose to 5-year high in January, reaching 58.4 points from 54.9 points in December (consensus – 55.5) due to a rise in new orders and production.

ISM Manufacturing index, p.



ISM Non-Manufacturing index improved to 50.5 in January, below the consensus of 51.5 points. The new orders increased to 54.6 from 52 and business activity decreased to 52.2 from 53.2.

ISM non-manufacturing index



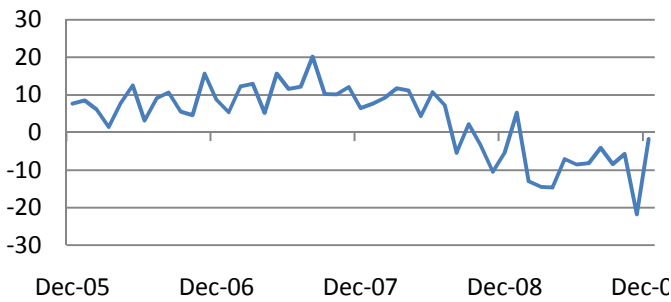
ADP payrolls fell 22000 in January, slightly less than consensus estimates of -30000. In general, the figures are consistent with the Friday employment report to show a modest increase of jobs as ADP survey does not count the Government employees.

ADP Employment change, m/m. sa



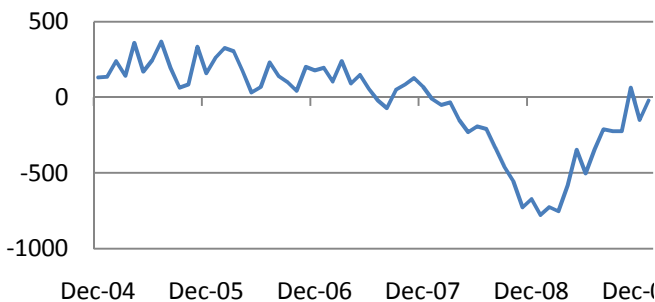
Consumer Credit data for December showed only slight decline of 1.7 bn vs consensus of -10 bn.

Consumer credit, bn.m/m



Non-farm payrolls unexpectedly declined 20 000 in January (consensus - +15 000) and unemployment fell to 9.7%. Main contributors to the indicator was drop in construction payrolls (-75 000), while manufacturing jobs increased 11 000 and service-producing jobs rose 48 000.

Non-farm payrolls, chg, thous.



So far, of 290 S&P 500 companies reported, 223 beat analyst expectations in terms of net income and 62 trailed estimates. In terms of sales, 205 topped expectations and 84 companies failed to meet consensus. In Europe, the count is 41-30 in terms of net income and 45-31 in terms of sales.

The Week Ahead

This week, UK industrial production on Wednesday and GDP data from Germany, France and Italy will be the key events in Europe.

In US, Trade Balance on Wednesday and Retail Sales on Thursday will be in focus.

In China, large block of statistics will be released with trade data on Wednesday and CPI data on Thursday.

The earnings season continues with 63 S&P 500 companies and 83 DJ Stoxx 600 companies to present financial reports.

Economic Calendar*					
Time, GMT	Country	Data	Period	Consensus	Prior
02/08/2010 05:00	JN	Eco Watchers Survey: Outlook	JAN	--	36.3
02/09/2010 07:00	GE	Trade Balance	DEC	15.0B	17.4B
02/09/2010 07:00	GE	Consumer Price Index (YoY)	JAN F	0.80%	0.80%
02/09/2010 07:00	GE	CPI - EU Harmonised (MoM)	JAN F	-0.70%	-0.70%
02/09/2010 07:00	GE	Consumer Price Index (MoM)	JAN F	-0.60%	-0.60%
02/09/2010 15:00	US	Wholesale Inventories	DEC	0.50%	1.50%
09-11 FEB	CH	China NDRC Housing Prices	JAN	--	7.8
09-12 FEB	CH	Actual FDI (YoY)	JAN	--	103.06%
02/10/2010	CH	Trade Balance (USD)	JAN	\$19.65B	\$18.43B
02/10/2010	CH	Exports YoY%	JAN	30.00%	17.70%
02/10/2010	CH	Imports YoY%	JAN	85.60%	55.90%
02/10/2010 09:30	UK	Industrial Production (MoM)	DEC	0.20%	0.40%
02/10/2010 09:30	UK	Industrial Production (YoY)	DEC	-4.10%	-6.00%
02/10/2010 12:00	US	MBA Mortgage Applications	5-Feb	--	21.00%
02/10/2010 13:30	US	Trade Balance	DEC	-\$35.5B	-\$36.4B
02/10/2010 15:30	US	DOE U.S. Crude Oil Inventories	5-Feb	--	2317K
02/10/2010 15:30	US	DOE U.S. Gasoline Inventories	5-Feb	--	-1306K
02/10/2010 15:30	US	DOE U.S. Distillate Inventory	5-Feb	--	-948K
02/11/2010 02:00	CH	Consumer Price Index (YoY)	JAN	2.10%	1.90%
02/11/2010 13:30	US	Advance Retail Sales	JAN	0.30%	-0.30%
02/11/2010 13:30	US	Retail Sales Less Autos	JAN	0.40%	-0.20%
02/11/2010 13:30	US	Retail Sales Ex Auto & Gas	JAN	0.30%	-0.30%
02/11/2010 13:30	US	Initial Jobless Claims	6-Feb	456K	480K
02/11/2010 13:30	US	Continuing Claims	30-Jan	--	4602K
02/11/2010 15:00	US	Business Inventories	DEC	0.40%	0.40%
02/12/2010 05:00	JN	Consumer Confidence	JAN	--	37.9
02/12/2010 07:00	GE	GDP s.a. (QoQ)	4Q P	0.20%	0.70%
02/12/2010 07:00	GE	GDP wda (YoY)	4Q P	-2.20%	-4.80%
02/12/2010 10:00	EC	Euro-Zone Ind. Prod. sa (MoM)	DEC	0.10%	1.00%
02/12/2010 10:00	EC	Euro-Zone Ind. Prod. wda (YoY)	DEC	-1.70%	-7.10%
02/12/2010 10:00	EC	Euro-Zone GDP s.a. (QoQ)	4Q A	0.30%	0.40%
02/12/2010 10:00	EC	Euro-Zone GDP s.a. (YoY)	4Q A	-1.90%	-4.00%
02/12/2010 14:55	US	U. of Michigan Confidence	FEB P	74.8	74.4

Central Bank Speakers & US Treasuries Auctions		
Time	Ct	Event
02/09/2010 18:00	US	U.S. to Sell USD40 Bln 3-Year Notes
02/10/2010 14:30	US	Fed's Tarullo Testifies Before Senate Panel on Systemic Risk
02/10/2010 17:45	US	Fed's Plosser Speaks in Philadelphia on Financial Crisis
02/10/2010 10:30	UK	Bank of England Quarterly Inflation Report
02/10/2010 18:00	US	U.S. to Sell USD25 Bln 10-Year Notes
02/11/2010 09:00	EC	ECB Publishes Feb. Monthly Report
02/11/2010 18:00	US	U.S. to Sell USD16 Bln 30-Year Bonds
02/12/2010 08:00	EC	ECB's Nowotny Speaks in Vienna
02/12/2010 14:30	IT	ECB'S Daniela Russo Speaks at Forex Congress in Naples

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Earnings Calendar – US*					
Company Name	Ticker	Date	Time	Period	Estimate
CVS Caremark Corp	CVS US	2/8/2010	Bef-mkt	Q4 2009	0.78
Loews Corp	L US	2/8/2010	Bef-mkt	Q4 2009	0.97
Hasbro Inc	HAS US	2/8/2010	Bef-mkt	Q4 2009	0.814
Lorillard Inc	LO US	2/8/2010	Bef-mkt	Q4 2009	1.508
NASDAQ OMX Group Inc/The	NDAQ US	2/8/2010	12:00	Q4 2009	0.445
Principal Financial Group Inc	PFG US	2/8/2010	21:00	Q4 2009	0.657
Harman International Industries Inc	HAR US	2/8/2010	Aft-mkt	Q2 2010	0.115
Lincoln National Corp	LNC US	2/8/2010	Aft-mkt	Q4 2009	0.829
Vulcan Materials Co	VMC US	2/8/2010	Aft-mkt	Q4 2009	-0.005
Hartford Financial Services Group Inc	HIG US	2/8/2010	Aft-mkt	Q4 2009	1.342
Electronic Arts Inc	ERTS US	2/8/2010	Aft-mkt	Q3 2010	0.331
NYSE Euronext	NYX US	2/9/2010	7:30	Q4 2009	0.479
International Flavors & Fragrances Inc	IFF US	2/9/2010	Bef-mkt	Q4 2009	0.602
Biogen Idec Inc	BIIB US	2/9/2010	Bef-mkt	Q4 2009	1.046
Pulte Homes Inc	PHM US	2/9/2010	Bef-mkt	Q4 2009	-0.242
Coca-Cola Co/The	KO US	2/9/2010	Bef-mkt	Q4 2009	0.663
Cognizant Technology Solutions Corp	CTSH US	2/9/2010	Bef-mkt	Q4 2009	0.471
Cameron International Corp	CAM US	2/9/2010	13:00	Q4 2009	0.529
Walt Disney Co/The	DIS US	2/9/2010	21:15	Q1 2010	0.384
XL Capital Ltd	XL US	2/9/2010	Aft-mkt	Q4 2009	0.703
CareFusion Corp	CFN US	2/9/2010	Aft-mkt	Q2 2010	0.372
Molson Coors Brewing Co	TAP US	2/9/2010		Q4 2009	1.099
Coventry Health Care Inc	CVH US	2/9/2010		Q4 2009	0.564
BJ Services Co	BJS US	2/9/2010		Q1 2010	0.036
Marsh & McLennan Cos Inc	MMC US	2/10/2010	Bef-mkt	Q4 2009	0.368
Dean Foods Co	DF US	2/10/2010	Bef-mkt	Q4 2009	0.375
New York Times Co/The	NYT US	2/10/2010	Bef-mkt	Q4 2009	0.41
Coca-Cola Enterprises Inc	CCE US	2/10/2010	Bef-mkt	Q4 2009	0.206
Scripps Networks Interactive Inc	SNI US	2/10/2010	Bef-mkt	Q4 2009	0.511
Sprint Nextel Corp	S US	2/10/2010	12:00	Q4 2009	-0.154
Computer Sciences Corp	CSC US	2/10/2010	13:30	Q3 2010	1.233
Allstate Corp/The	ALL US	2/10/2010	21:05	Q4 2009	1.022
DENTSPLY International Inc	XRAY US	2/10/2010	Aft-mkt	Q4 2009	0.48
Masco Corp	MAS US	2/10/2010	Aft-mkt	Q4 2009	-0.034
Boston Scientific Corp	BSX US	2/10/2010	Aft-mkt	Q4 2009	0.126
Torchmark Corp	TMK US	2/10/2010	Aft-mkt	Q4 2009	1.441
Prudential Financial Inc	PRU US	2/10/2010	Aft-mkt	Q4 2009	1.111
Omnicom Group Inc	OMC US	2/10/2010		Q4 2009	0.721

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Sigma-Aldrich Corp	SIAL US	2/10/2010		Q4 2009	0.722
Wyndham Worldwide Corp	WYN US	2/10/2010		Q4 2009	0.37
EOG Resources Inc	EOG US	2/10/2010		Q4 2009	0.98
IntercontinentalExchange Inc	ICE US	2/10/2010		Q4 2009	1.14
Marriott International Inc/DE	MAR US	2/11/2010	Bef-mkt	Q4 2009	0.258
ProLogis	PLD US	2/11/2010	Bef-mkt	Q4 2009	0.204
Ecolab Inc	ECL US	2/11/2010	Bef-mkt	Q4 2009	0.563
Laboratory Corp of America Holdings	LH US	2/11/2010	Bef-mkt	Q4 2009	1.146
Teradata Corp	TDC US	2/11/2010	Bef-mkt	Q4 2009	0.387
SCANA Corp	SCG US	2/11/2010	Bef-mkt	Q4 2009	0.61
PepsiCo Inc/NC	PEP US	2/11/2010	12:00	Q4 2009	0.902
Philip Morris International Inc	PM US	2/11/2010	12:00	Q4 2009	0.786
FLIR Systems Inc	FLIR US	2/11/2010	12:30	Q4 2009	0.384
Viacom Inc	VIA/B US	2/11/2010	13:00	Q4 2009	0.875
Cephalon Inc	CEPH US	2/11/2010	21:10	Q4 2009	1.584
IMS Health Inc	RX US	2/11/2010		Q4 2009	0.393
VF Corp	VFC US	2/11/2010		Q4 2009	1.46
Progress Energy Inc	PGN US	2/11/2010		Q4 2009	0.498
McAfee Inc	MFE US	2/11/2010		Q4 2009	0.635
AutoNation Inc	AN US	2/11/2010		Q4 2009	0.268
DaVita Inc	DVA US	2/11/2010		Q4 2009	1.058
Expedia Inc	EXPE US	2/11/2010		Q4 2009	0.286
Republic Services Inc	RSG US	2/11/2010		Q4 2009	0.333
HCP Inc	HCP US	2/12/2010	Bef-mkt	Q4 2009	0.531
Agilent Technologies Inc	A US	2/12/2010	13:00	Q1 2010	0.321
Duke Energy Corp	DUK US	2/12/2010	19:00	Q4 2009	0.254

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Earnings calendar, Europe*				
Company Name	Ticker	Date	Time	Cons.
Xstrata PLC	XTA LN	2/8/2010	7:00	0.942
Randgold Resources Ltd	RRS LN	2/8/2010	7:00	0.709
Metso OYJ	MEO1V	2/8/2010	13:00	1.407
Klepierre	LI FP	2/8/2010	Aft-mkt	1.498
Unibail-Rodamco SE	UL FP	2/8/2010		9.216
UBS AG	UBSN VX	2/9/2010	5:15	-0.555
Tele2 AB	TEL2B SS	2/9/2010	6:00	9.553
Swedbank AB	SWEDA	2/9/2010	6:00	-9.714
Alfa Laval AB	ALFA SS	2/9/2010	6:30	6.95
Crucecell NV	CRXL NA	2/9/2010	6:45	0.251
British Land Co PLC	BLND LN	2/9/2010	7:00	0.06
Orion OYJ	ORNBV	2/9/2010	10:00	1.099
Buzzi Unicem SpA	BZU IM	2/9/2010		0.678
QIAGEN NV	QGEN US	2/9/2010		0.219
Peugeot SA	UG FP	2/10/2010	Bef-mkt	-4.513
ArcelorMittal	MT NA	2/10/2010	Bef-mkt	0.044
Elan Corp PLC	ELN ID	2/10/2010	Bef-mkt	-0.291
Renewable Energy Corp ASA	REC NO	2/10/2010	6:00	-0.731
Telenor ASA	TEL NO	2/10/2010	6:00	6.885
Nordea Bank AB	NDA SS	2/10/2010	6:00	0.609
Marine Harvest ASA	MHG NO	2/10/2010	6:00	0.29
Oriflame Cosmetics SA	ORI SS	2/10/2010	6:15	1.837
Sanofi-Aventis SA	SAN FP	2/10/2010	6:30	6.35
SSAB AB	SSABA SS	2/10/2010	7:00	-4.48
Vestas Wind Systems A/S	VWS DC	2/10/2010	7:30	2.676
Reckitt Benckiser Group PLC	RB/ LN	2/10/2010	7:30	1.953
Banco Comercial Portugues SA	BCP PL	2/10/2010	Aft-mkt	0.039
Air France-KLM	AF FP	2/10/2010		-1.08
Nobel Biocare Holding AG	NOBN VX	2/10/2010		0.885
Nexans SA	NEX FP	2/10/2010		1.685
Skandinaviska Enskilda Banken AB	SEBA SS	2/10/2010		1.268
Snam Rete Gas SpA	SRG IM	2/10/2010		0.236
HeidelbergCement AG	HEI GR	2/10/2010		3.406
Saipem SpA	SPM IM	2/10/2010		1.598
BHP Billiton PLC	BLT LN	2/10/2010		0.695
Renault SA	RNO FP	2/11/2010	Bef-mkt	-11.236
Portugal Telecom SGPS SA	PTC PL	2/11/2010	Bef-mkt	0.622
Nutreco Holding NV	NUO NA	2/11/2010	6:00	2.493

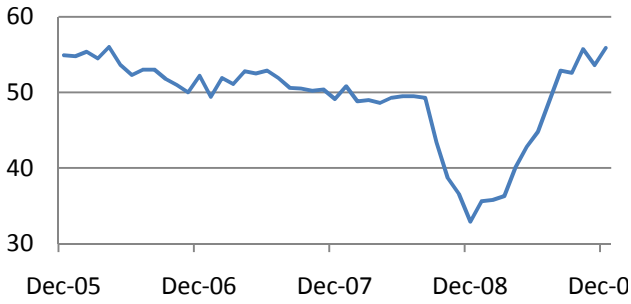
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Mobistar SA	MOBB	2/11/2010	6:00	4.284
Alcatel-Lucent/France	ALU FP	2/11/2010	6:00	-0.15
Orkla ASA	ORK NO	2/11/2010	6:00	1.867
Nokian Renkaat OYJ	NRE1V	2/11/2010	6:00	0.441
Rhoen Klinikum AG	RHK GR	2/11/2010	6:00	1.039
Pohjola Bank PLC	POH1S	2/11/2010	6:00	0.846
KBC Groep NV	KBC BB	2/11/2010	6:00	-2.596
Umicore	UMI BB	2/11/2010	6:30	0.688
Bilfinger Berger AG	GBF GR	2/11/2010	6:30	3.184
TeliaSonera AB	TLSN SS	2/11/2010	6:30	4.344
Smith & Nephew PLC	SN/ LN	2/11/2010	7:00	0.623
BT Group PLC	BT/A LN	2/11/2010	7:00	0.035
Catlin Group Ltd	CGL LN	2/11/2010	7:00	1.217
Total SA	FP FP	2/11/2010	7:00	3.475
TGS Nopec Geophysical Co ASA	TGS NO	2/11/2010	7:30	1.478
Sanoma OYJ	SAA1V	2/11/2010	8:00	0.858
Sampo OYJ	SAMAS	2/11/2010	9:30	1.434
Modern Times Group AB	MTGA SS	2/11/2010	12:00	20.385
M6-Metropole Television	MMT FP	2/11/2010	Aft-mkt	1.008
ENI SpA	ENI IM	2/11/2010		1.427
Wienerberger AG	WIE AV	2/11/2010		-0.89
Legrand SA	LR FP	2/11/2010		1.17
Aurubis AG	NDA GR	2/11/2010		0.525
Credit Suisse Group AG	CSGN VX	2/11/2010		6.042
Dassault Systemes SA	DSY FP	2/11/2010		1.779
Statoil ASA	STL NO	2/11/2010		10.33
Danone	BN FP	2/11/2010		2.596
DnB NOR ASA	DNBNOR	2/11/2010		5.846
EDF SA	EDF FP	2/11/2010		2.016
Industrivarden AB	INDUA	2/11/2010		47.775
Rolls-Royce Group PLC	RR/ LN	2/11/2010		0.37
Rio Tinto PLC	RIO LN	2/11/2010		3.244
Diageo PLC	DGE LN	2/11/2010		0.455
Elisa OYJ	ELI1V FH	2/12/2010	6:30	1.161
Assa Abloy AB	ASSAB SS	2/12/2010	7:30	8.594
Marfin Investment Group SA	MIG GA	2/12/2010		0.122
Public Power Corp SA	PPC GA	2/12/2010		3.194
SES SA	SESG FP	2/12/2010		1.147
Cie Generale des Etablissements Michelin	ML FP	2/12/2010		1.568
Boliden AB	BOL SS	2/12/2010		8.821

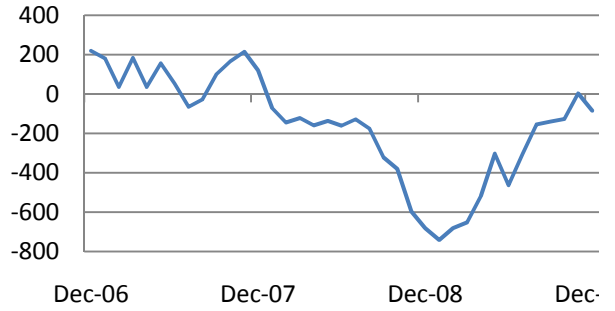
ThyssenKrupp AG	TKA GR	2/12/2010	0.202
Cofinimmo	COFB BB	2/12/2010	6.941
Derwent London PLC	DLN LN	2/12/2010	0.541
Petropavlovsk PLC	POG LN	2/12/2010	0.965

Economic monitor

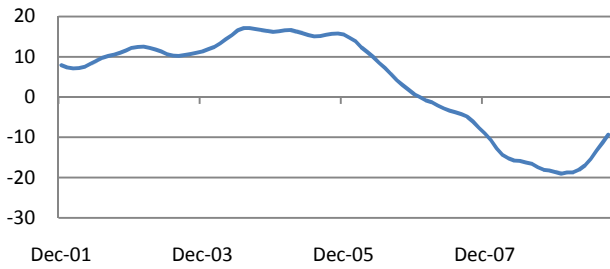
ISM Manufacturing Index



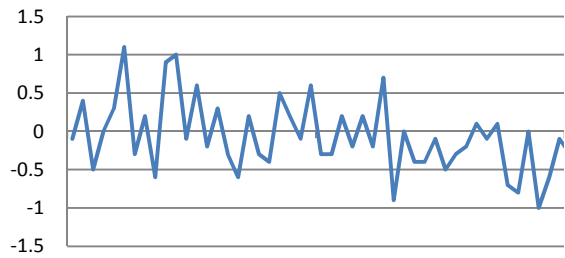
Non-farm Payrolls



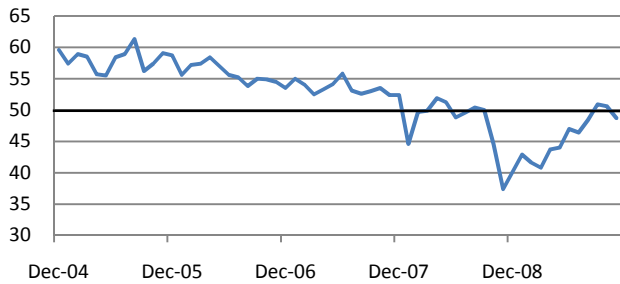
S&P Case/Shiller Index



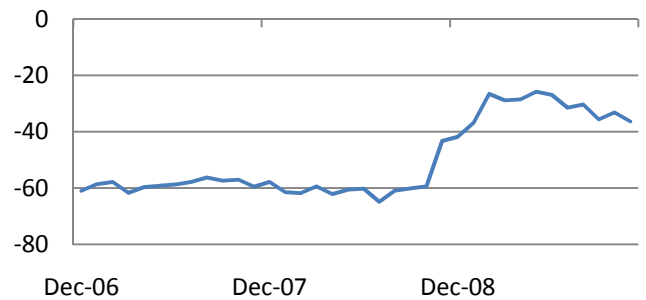
US leading indicators index



ISM Non-Manufacturing



US Trade Deficit



*Data provided by Bloomberg

Technical View

S&P 500 Index, daily



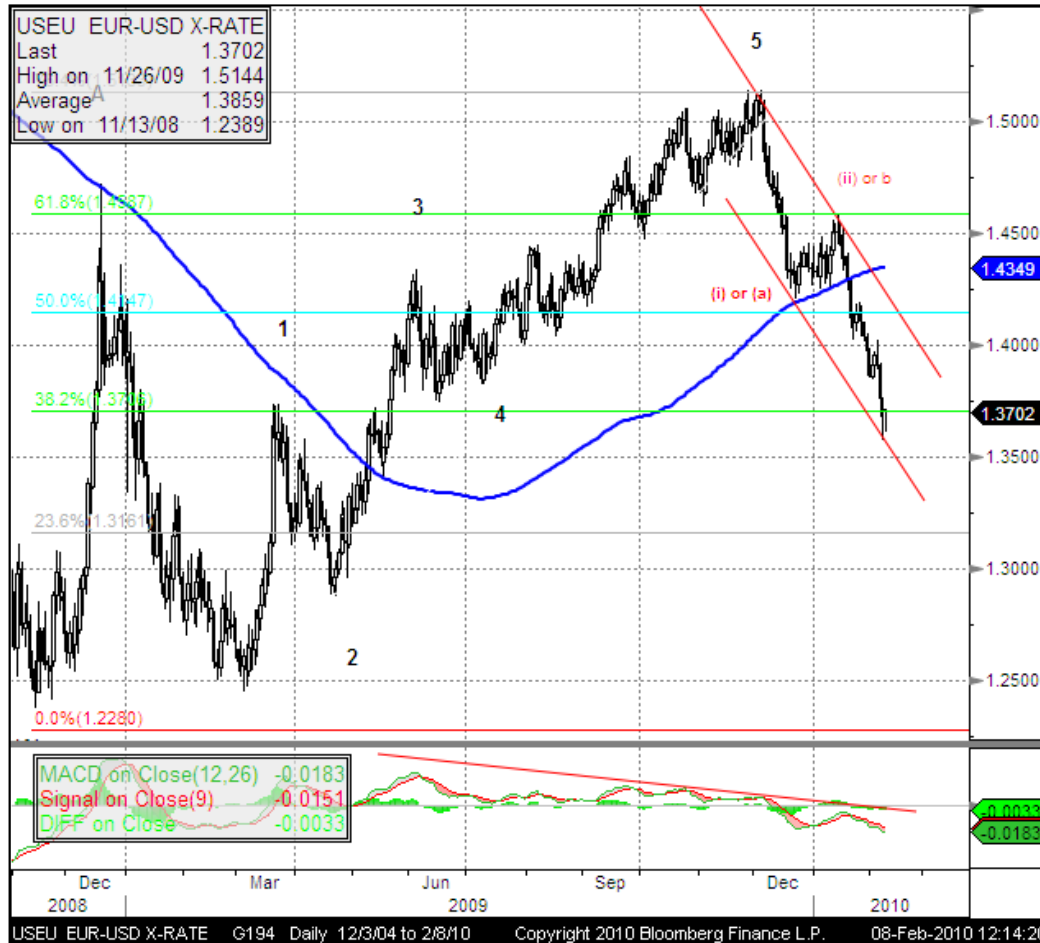
S&P 500 Index tested 1045 level on Friday, having rebounded above lower expanding triangle line. If the “bullish hammer” reversal pattern is not confirmed today and these levels are broken, next support will be around 200 MA at 1010 points. If A-B-C correction is ended we might be at the beginning of a new major Index decline with testing July (900) or even March (667) lows in the coming 2-4 months. There is still a likelihood of a bounce to 1090 and above as well as consolidation in the range of 1060-1160 if the reversal candle pattern is confirmed in 1-2 days.

Dow Jones Stoxx 600 Europe Index, daily



DJ Stoxx 600 tested lower bound of the channel 239-260. If 238 support-level is broken, testing MA 200 at 229 points will become highly likely. Further support levels are around May highs (213-215 points). Still, as a continuation of “bullish hammer” upward reversal pattern, bounce to 250-255 is possible in the coming days.

EURUSD, daily



In EURUSD case 2 possible Elliott wave counting options are possible: 1) 5th wave of the C (B)-wave ended in December and (i)(C) has started. 2) current leg is the 4th wave) and new highs can be seen later that year. For now, downward zigzag seems to have ended and price has found a support level at 1.359, lower line of a descending range. Next important long-term support is around 1.31. "Hammer" bullish candlesticks pattern says that, rebound from current level to around 1.40 is possible in the coming days.

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