

**August 10, 2010**

US stock indices closed higher on Monday with Telecommunications (+1.06%) and Consumer Services (0.84%) as the strongest sectors as investors priced in possible QE measures expansion by the Fed. The preliminary earnings season results draw rather bright picture. However, beat/miss ratio in terms of revenue is worse than it was in 1Q.

Asian markets were down on Tuesday. Shanghai stock indices slumped 1.88-2.89% after data showed china's export growth to soften to 38.1% y/y in July from 43.9% in June and the import declined sharply, indicating a slowdown in the Chinese economy. Property prices climbed 10.3% in July, at the slowest pace in 6 months. Hang Seng declined 1.51%. Kospi was down by 0.5% and Australian S&P/ASX 200 Index lost 1.18%. Japanese Nikkei slid 0.22%.

European indices fell at the start of the session. Dow Jones Eurostoxx 600 was down 1.06% with Basic Materials (-1.57%) and Financials (-1.03%) as the laggards.

### European corporate news and events

- Ferrovial SA (FER SM): BAA Ltd.'s U.K. airports handled 10.9 million passengers last month, an 0.3% increase from a year earlier. Passenger numbers at Heathrow rose 3.5 percent to 6.7 million. *Bloomberg*.

- France Telecom SA (FTE FP) said it's in talks with the owners of Medi Telecom SA to expand into North Africa. The company has begun discussions with Moroccan investors Groupe CDG and FinanceCom SA that may lead to an "industrial partnership," France Telecom spokesman Louis- Michel Aymard said. *Bloomberg*.

- GDF Suez (GSZ FP) will pay a 92 pence a share special dividend and transfer power plants to gain control of an enlarged International Power Plc, creating a generation company with assets from Australia to Turkey. *Bloomberg*.

Market Data*		
CDS HY 5Y	532.78	-2.57%
ITX Crossover	403.08	-0.21%
CDS Japan 5Y	68.59	-0.41%
CDS EM 5Y	113.05	+0.11%
CDS Russia 5Y	154.06	-1.56%
US Tsys 10Y	3.12%	+0.03%
US Tsys 5Y	1.76%	-0.06%
Brazil 10Y	3.90%	+1.10%
UK 10Y	3.09%	-0.16%
Germany 10Y	2.43%	-0.09%
EUR/USD	1.3177	-0.78%
USD/JPY	85.75	-0.28%
EUR/GBP	0.8332	-0.02%
Oil Brent	79.86	-0.37%
Gold	1200.1	-0.43%
Copper	7425	+0.35%
Nickel	22732	+4.23%
S&P 500	1127.79	+0.18%
Topix	847.5	-0.99%
Shanghai Comp	2,595.27	-2.37%
DJ EURO Stoxx	2798.87	+0.70%
VIX	22.14	+0.40%

Most active stocks in Europe*		
SYMRISE AG	19.345	+1.28%
HANNOVER RUE-REG	37.245	-2.49%
VINCI SA	37.66	-2.09%
MICHELIN-B	62.27	-2.18%
BAM GROEP	3.901	-2.13%
SCHNEIDER ELECTR	91	-2.14%
TOMTOM	4.76	-2.08%
LAFARGE SA	39.715	-1.89%
SAINT GOBAIN	33.27	-1.86%
GEA GROUP AG	17.57	-1.90%
AIR FRANCE-KLM	11.435	-1.89%
ALCATEL-LUCENT	2.232	-1.80%
ADIDAS AG	42.2	-1.83%
DEUTSCHE LUFT-RG	12.81	-1.69%
BAYER AG	48.52	-1.52%

\*As of 8:00 GMT, Bloomberg

**Technical view**

**S&P 500 Index, daily**



DJIA Eurostoxx	Last	Change
SX3P	320.84	-0.76%
SX4P	473.28	-1.16%
SX6P	312.56	-0.83%
SX7P	226.7	-1.03%
SX86P	106.08	-1.01%
SX8P	194.3	-0.58%
SXAP	264.58	-1.16%
SXDP	368.49	+0.13%
SXEP	306.87	-0.80%
SXFP	238.52	-0.99%
SXIP	154.16	-1.07%
SXKP	266.65	-0.45%
SXMP	171.48	-1.21%
SXNP	284.34	-1.26%
SXOP	253.43	-1.67%
SXPP	508.25	-2.01%
SXQP	372.77	-0.99%
SXRP	262.78	-0.89%
SXTP	119.84	-2.01%
SXPP	259.72	-0.97%

The S&P 500 Index has formed a long-term head & shoulders pattern. A midterm target seems to be below 1000 at around 980 and 850 in 1-2 months.

However, short term “diamond” pattern may indicate that an upward correction is likely to reach 1150 level in the coming days. If the index holds above the 200-MA line, the likelihood of the bearish scenario will decrease significantly. On Friday the Index held above the midterm uptrend line.

Current support levels are at 1090, 1055, 1010, 980, 950, 870.

Resistance levels: 1130, 1150.

S&P 500 Sub-index	Last	Change
CONS	254.6891	+0.87%
DISCRET		
CONS	281.1756	+0.52%
ENERGY	418.3264	+0.57%
FINANCIALS	200.0603	+0.60%
HEALTH CARE	345.0072	+0.25%
INDUSTRIALS	269.1937	+0.58%
INFO TECH	360.621	+0.46%
MATERIALS	197.7281	+0.44%
TELECOM SERV	113.1887	+1.05%
UTILITIES	157.614	+0.41%

## Daily Market Report

## Dow Jones Stoxx 600 Europe Index, daily



The index has formed a head & shoulders pattern. Although it may consolidate at the current levels for 1-2 weeks, breaking the neck line at 240 will point 218, 210 levels as the final targets of the current downward leg.

However, the fact that 258 support level (midterm downtrend line) is held in the coming days confirms the probability of testing maximum levels of this year (275).

Important support levels: 250, 243, 238, 217.

Important resistance level – 272.

Daily Market Report

EURUSD, daily



EURUSD seems to be finishing the first impulse -5-wave leg of a correction to major move from December 2009 to June 2010. Although, the test of 1.35 is still likely, sharp move down may occur in the coming days with a support at 1.27.

**US earnings season results**

Sector	Reported	Total	Pos Surp	Neg Surp
All Securities	423	497	324	94
Oil & Gas	36	36	25	11
Basic Materials	26	26	16	10
Industrials	66	72	54	11
Consumer Goods	41	55	33	8
Health Care	43	46	31	11
Consumer Services	41	72	37	3
Telecommunications	10	10	7	2
Utilities	36	36	24	12
Financials	82	83	66	16
Technology	42	61	31	10

**EU Earnings season results**

Sector	Reported	Total	Pos Surp	Neg Surp
All Securities	244	311	126	101
Oil & Gas	20	25	9	11
Basic Materials	26	32	15	10
Industrials	46	55	22	22
Consumer Goods	27	32	14	11
Health Care	16	24	6	10
Consumer Services	17	27	12	4
Telecommunications	14	15	7	7
Utilities	14	17	5	7
Financials	49	68	26	14
Technology	15	16	10	5

## Daily Market Report

Macroeconomic calendar*					
Время, GMT	Страна	Данные	Период	Прогноз	Прошл.
08/09/2010 04:00	JN	BoJ Monetary Policy Meeting	9-Aug		
08/09/2010 04:30	JN	Bankruptcies (YoY)	JUL	--	-19.30%
08/09/2010	JN	Eco Watchers Survey: Current	JUL	--	47.5
08/09/2010	JN	Eco Watchers Survey: Outlook	JUL	--	48.3
08/09/2010 06:00	GE	Trade Balance	JUN	--	9.7B
08/09/2010 06:00	GE	Imports SA (MoM)	JUN	--	14.80%
08/09/2010 06:00	GE	Current Account (EURO)	JUN	--	2.2B
08/09/2010 06:00	GE	Exports SA (MoM)	JUN	--	9.20%
08/09/2010 23:50	JN	Housing Loans YoY	2Q	--	1.00%
10-12 AUG	CH	China NDRC Housing Prices	JUL	--	11.4
10-13 AUG	CH	Money Supply - M0 (YoY)	JUL	--	15.70%
10-13 AUG	CH	Money Supply - M2 (YoY)	JUL	--	18.50%
10-13 AUG	CH	New Yuan Loans	JUL	--	603.4B
08/10/2010	CH	Trade Balance (USD)	JUL	--	\$20.02B
08/10/2010	CH	Exports YoY%	JUL	--	43.90%
08/10/2010	CH	Imports YoY%	JUL	--	34.10%
08/10/2010	JN	BOJ Target Rate	10-Aug	--	0.10%
08/10/2010 06:00	GE	Consumer Price Index (MoM)	JUL F	--	--
08/10/2010 06:00	GE	CPI - EU Harmonised (MoM)	JUL F	--	--
08/10/2010 06:00	GE	CPI - EU Harmonised (YoY)	JUL F	--	--
08/10/2010 06:00	GE	Consumer Price Index (YoY)	JUL F	--	--
10-17 AUG	GE	Wholesale Price Index (MoM)	JUL	--	-0.20%
10-17 AUG	GE	Wholesale price Index (YoY)	JUL	--	5.10%
08/10/2010 08:30	UK	Visible Trade Balance GBP/Mn	JUN	--	-£8062
08/10/2010 11:30	US	NFIB Small Business Optimism	JUL	--	89
08/10/2010	EC	ECB's Reserve Maintenance Perios Ends	23-Apr		
08/10/2010 12:30	US	Nonfarm Productivity	2Q P	--	2.80%
08/10/2010 12:30	US	Unit Labor Costs	2Q P	--	-1.30%
08/10/2010 13:00	US	Fed's Open Market Committee Meets on	10-Aug		
08/10/2010 14:00	US	Wholesale Inventories	JUN	--	0.50%
08/10/2010 14:00	US	IBD/TIPP Economic Optimism	AUG	--	44.7
08/10/2010 16:00	US	DOE Short-Term Crude Outlook	AUG	--	82.5
08/10/2010 16:00	US	DOE Short-Term Diesel Outlook	AUG	--	3.13
08/10/2010 16:00	US	DOE Short-Term Ht Oil Outlook	AUG	--	3.1
08/10/2010 16:00	US	DOE Short-Term NatGas Outlook	AUG	--	12.56
08/10/2010 16:00	US	DOE Short-Term Mogas Outlook	AUG	--	2.9
08/10/2010 17:00	US	U.S. to Sell 3-Year Notes	10-Aug		
08/10/2010 18:15	US	FOMC Rate Decision	10-Aug	0.25%	0.25%
08/10/2010 20:30	US	API U.S. Crude Oil Inventories	6-Aug	--	--
08/10/2010 20:30	US	API U.S. Gasoline Inventories	6-Aug	--	--
08/10/2010 20:30	US	API U.S. Distillate Inventory	6-Aug	--	--

## Daily Market Report

08/10/2010 20:30	US	API Cushing Crude OK Inventory	6-Aug	--	--
08/10/2010 21:00	US	ABC Consumer Confidence	8-Aug	--	--
08/10/2010 23:50	JN	Machine Orders (MoM)	JUN	--	-9.10%
08/11/2010 02:00	CH	Producer Price Index (YoY)	JUL	--	6.40%
08/11/2010 02:00	CH	Purchasing Price Index (YoY)	JUL	--	10.80%
08/11/2010 02:00	CH	Consumer Price Index (YoY)	JUL	--	2.90%
08/11/2010 02:00	CH	Retail Sales (YoY)	JUL	--	18.30%
08/11/2010 02:00	CH	Retail Sales YTD YoY	JUL	--	18.20%
08/11/2010 02:00	CH	Industrial Production (YoY)	JUL	--	13.70%
08/11/2010 02:00	CH	Industrial Production YTD YoY	JUL	--	17.60%
08/11/2010 02:00	CH	Fixed Assets Inv Urban YTD YoY	JUL	--	25.50%
08/11/2010 08:30	UK	Claimant Count Rate	JUL	--	4.50%
08/11/2010 08:30	UK	Jobless Claims Change	JUL	--	-20.8K
08/11/2010 08:30	UK	Average Weekly Earnings 3M/YoY	JUN	--	2.70%
08/11/2010 08:30	UK	Weekly Earnings exBonus 3M/YoY	JUN	--	1.80%
08/11/2010 08:30	UK	ILO Unemployment Rate (3mths)	JUN	--	7.80%
08/11/2010 09:30	UK	Bank of England Quarterly Inflation Report	11-Aug		
08/11/2010 11:00	US	MBA Mortgage Applications	6-Aug	--	--
08/11/2010 12:30	US	Trade Balance	JUN	--	-\$42.3B
08/11/2010 14:30	US	DOE U.S. Crude Oil Inventories	6-Aug	--	--
08/11/2010 14:30	US	DOE U.S. Gasoline Inventories	6-Aug	--	--
08/11/2010 14:30	US	DOE U.S. Distillate Inventory	6-Aug	--	--
08/11/2010 14:30	US	DOE U.S. Refinery Utilization	6-Aug	--	--
08/11/2010 14:30	US	DOE Cushing OK Crude Inventory	6-Aug	--	--
08/11/2010 14:30	US	DOE Crude Oil Implied Demand	6-Aug	--	--
08/11/2010 14:30	US	DOE Gasoline Implied Demand	6-Aug	--	--
08/11/2010 14:30	US	DOE Distillate Implied Demand	6-Aug	--	--
08/11/2010 17:00	US	U.S. to Sell 10-Year Notes	11-Aug		
08/11/2010 18:00	US	Monthly Budget Statement	JUL	--	-\$68.4B
12-13 AUG	CH	Money Supply - M1 (YoY)	JUL	--	24.60%
12-16 AUG	CH	Actual FDI (YoY)	JUL	--	39.60%
08/12/2010 04:30	JN	Industrial Production YOY%	JUN F	--	--
08/12/2010 04:30	JN	Industrial Production (MoM)	JUN F	--	--
08/12/2010 04:30	JN	Capacity Utilization (MoM)	JUN F	--	0.80%
08/12/2010 05:00	JN	Consumer Confidence	JUL	--	43.6
08/12/2010 05:00	JN	Consumer Confidence Households	JUL	--	43.5
08/12/2010 06:40	EC	Austria's WIFO Reports Preliminary	12-Aug		
08/12/2010 08:00	EC	ECB Publishes Aug. Monthly Report	12-Aug		
08/12/2010 09:00	EC	Euro-Zone Ind. Prod. sa (MoM)	JUN	--	0.90%
08/12/2010 09:00	EC	Euro-Zone Ind. Prod. wda (YoY)	JUN	--	9.40%
08/12/2010 12:30	US	Import Price Index (MoM)	JUL	--	-1.30%
08/12/2010 12:30	US	Import Price Index (YoY)	JUL	--	4.50%
08/12/2010 12:30	US	Initial Jobless Claims	7-Aug	--	--
08/12/2010 12:30	US	Continuing Claims	31-Jul	--	--

## Daily Market Report

08/12/2010 17:00	US	U.S. to Sell 30-Year Notes	12-Aug		
08/13/2010 06:00	GE	GDP s.a. (QOQ)	2Q P	--	--
08/13/2010 06:00	GE	GDP wda (YoY)	2Q P	--	--
08/13/2010 06:00	GE	GDP nsa (YoY)	2Q P	--	--
08/13/2010 09:00	EC	Euro-Zone Trade Balance	JUN	--	-3.4B
08/13/2010 09:00	EC	Euro-Zone Trade Balance sa	JUN	--	-3.0B
08/13/2010 09:00	EC	Euro-Zone GDP s.a. (QoQ)	2Q A	--	0.20%
08/13/2010 09:00	EC	Euro-Zone GDP s.a. (YoY)	2Q A	--	0.60%
08/13/2010 12:30	US	Consumer Price Index (MoM)	JUL	--	-0.10%
08/13/2010 12:30	US	CPI Ex Food & Energy (MoM)	JUL	--	0.20%
08/13/2010 12:30	US	Consumer Price Index (YoY)	JUL	--	1.10%
08/13/2010 12:30	US	Advance Retail Sales	JUL	--	-0.50%
08/13/2010 12:30	US	Retail Sales Less Autos	JUL	--	-0.10%
08/13/2010 12:30	US	CPI Ex Food & Energy (YoY)	JUL	--	0.90%
08/13/2010 12:30	US	CPI Core Index SA	JUL	--	221.388
08/13/2010 12:30	US	Retail Sales Ex Auto & Gas	JUL	--	0.10%
08/13/2010 12:30	US	Consumer Price Index NSA	JUL	--	217.965
08/13/2010 13:55	US	U. of Michigan Confidence	AUG P	--	--
08/13/2010 14:00	US	Business Inventories	JUN	--	0.10%

## Earnings Calendar – US\*

Company Name	Ticker	Date	Time	Period	Actual	Estimate	Surprise
King Pharmaceuticals Inc	KG US	8/9/2010	11:00	Q2		0.162	
Scripps Networks Interactive Inc	SNI US	8/9/2010	11:30	Q2		0.579	
Tyson Foods Inc	TSN US	8/9/2010	11:30	Q3		0.572	
Walt Disney Co/The	DIS US	8/10/2010	20:01	Q3		0.589	
CareFusion Corp	CFN US	8/10/2010	Aft-mkt	Q4		0.372	
Sysco Corp	SYU US	8/10/2010		Q4		0.578	
Macy's Inc	M US	8/11/2010	12:00	Q2		0.28	
Computer Sciences Corp	CSC US	8/11/2010	12:30	Q1		0.889	
Cisco Systems Inc	CSCO	8/11/2010	Aft-mkt	Q4		0.417	
Kohl's Corp	KSS US	8/12/2010	11:00	Q2		0.812	
NVIDIA Corp	NVDA	8/12/2010	20:20	Q2		0.11	
Nordstrom Inc	JWN US	8/12/2010	Aft-mkt	Q2		0.664	
Sara Lee Corp	SLE US	8/12/2010		Q4		0.211	
DeVry Inc	DV US	8/12/2010		Q4		0.806	
Autodesk Inc	ADSK	8/12/2010		Q2		0.273	
Estee Lauder Cos Inc/The	EL US	8/12/2010		Q4		0.295	
JC Penney Co Inc	JCP US	8/13/2010	Bef-	Q2		0.069	

## Daily Market Report

Earnings calendar, Europe*							
Company Name	Ticker	Date	Time	Period	Actual	Estimate	Surprise
Dragon Oil PLC	DGO ID	8/9/2010	6:00	S1 2010	0.267	0.26	2.69%
Andritz AG	ANDR AV	8/9/2010	6:01	Q2 2010	0.743	0.648	14.66%
QIAGEN NV	QGEN US	8/9/2010	20:00	Q2 2010		0.209	
Hannover Rueckversicherung AG	HNR1 GR	8/10/2010	5:30	Q2 2010		1.248	
Intercontinental Hotels Group	IHG LN	8/10/2010	6:00	S1 2010		0.455	
Mondi PLC	MNDI LN	8/10/2010	6:00	S1 2010		0.178	
TUI Travel PLC	TT/ LN	8/10/2010	6:00	Q3 2010		0.09	
Danske Bank A/S	DANSKE	8/10/2010	6:00	Q2 2010		1.395	
International Power PLC	IPR LN	8/10/2010	6:00	S1 2010		0.136	
Orion OYJ	ORNBV FH	8/10/2010	9:00	Q2 2010		0.304	
Symrise AG	SY1 GR	8/10/2010		Q2 2010		0.339	
GDF Suez	GSZ FP	8/10/2010		S1 2010		1.23	
Nobel Biocare Holding AG	NOBN VX	8/11/2010	4:45	Q2 2010		0.153	
Adecco SA	ADEN VX	8/11/2010	5:00	Q2 2010		0.454	
Kloeckner & Co SE	KCO GR	8/11/2010	5:00	Q2 2010		0.55	
Oriflame Cosmetics SA	ORI SS	8/11/2010	5:15	Q2 2010		0.515	
ING Groep NV	INGA NA	8/11/2010	5:30	Q2 2010		0.31	
Nestle SA	NESN VX	8/11/2010	5:30	S1 2010		1.527	
E.ON AG	EOAN GR	8/11/2010	6:00	Q2 2010		0.7	
Standard Life PLC	SL/ LN	8/11/2010	6:00	S1 2010		0.08	
Sampo OYJ	SAMAS FH	8/11/2010	6:30	Q2 2010		0.434	
GN Store Nord	GN DC	8/11/2010	18:00	Q2 2010		0.36	
CSM	CSM NA	8/11/2010		S1 2010		0.867	
Aurubis AG	NDA GR	8/11/2010		Q3 2010		0.638	
Solarworld AG	SWV GR	8/11/2010		Q2 2010		0.128	
Rheinmetall AG	RHM GR	8/11/2010		Q2 2010		0.923	
Holmen AB	HOLMB SS	8/11/2010		Q2 2010		1.184	
Balfour Beatty PLC	BBY LN	8/11/2010		S1 2010		0.214	
Salzgitter AG	SZG GR	8/12/2010	Bef-	Q2 2010		0.246	
Wereldhave NV	WHA NA	8/12/2010	Bef-	S1 2010		2.36	
RWE AG	RWE GR	8/12/2010	5:00	Q2 2010		1.495	
K+S AG	SDF GR	8/12/2010	5:00	Q2 2010		0.501	
Geberit AG	GEBN VX	8/12/2010	5:00	S1 2010			
Anheuser-Busch InBev NV	ABI BB	8/12/2010	5:00	Q2 2010		0.822	
Celesio AG	CLS1 GR	8/12/2010	5:00	Q2 2010		0.309	
Aegon NV	AGN NA	8/12/2010	5:30	Q2 2010		0.14	
Bilfinger Berger AG	GBF GR	8/12/2010	5:30	Q2 2010		1.52	
Prudential PLC	PRU LN	8/12/2010	6:00	S1 2010			

## Daily Market Report

Aker Solutions ASA	AKSO NO	8/12/2010	6:00	Q2 2010		1.819	
Novozymes A/S	NZYMB DC	8/12/2010	6:00	Q2 2010		5.585	
Stada Arzneimittel AG	SAZ GR	8/12/2010		Q2 2010		0.451	
Schibsted ASA	SCH NO	8/13/2010	5:00	Q2 2010		2.963	
ThyssenKrupp AG	TKA GR	8/13/2010	5:30	Q3 2010		0.284	
Delhaize Group SA	DELB BB	8/13/2010	6:00	Q2 2010		1.358	

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