

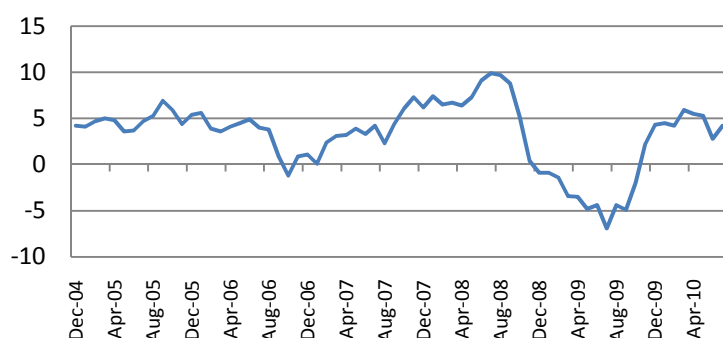


Daily Markets Report

August 18, 2010

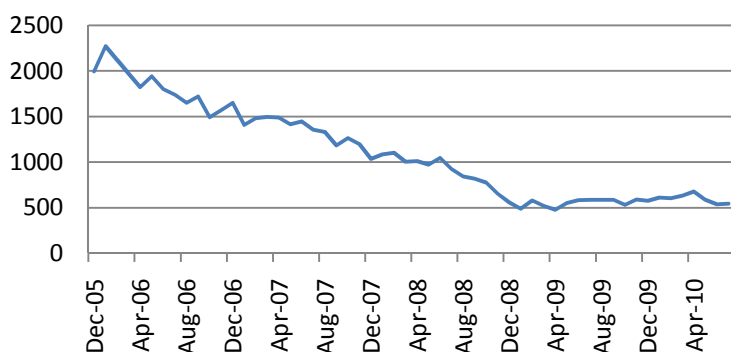
US major stock indices closed flat on Monday with Basic Materials (+2.16%) and Industrials (+1.87%) as the leaders after a good earnings report from Wal-Mart and an unsolicited bid for Potash Corp by BHP Billiton. The US Producer prices index rose 0.2% m/m in July and 4.2% y/y, meeting consensus estimates.

US PPI Index, chg y/y



Housing starts rose 1.7% to 546K in July (consensus – 560K) after a revised 8.7% slump in June (down from -5.0%). Building permits declined 3.1%, well below the consensus estimates of a 0.5% decline.

Housing starts, m/m



US industrial production rose 1% in July after a revised 0.1% decline in June, topping consensus estimates of a 0.5% rise. The core manufacturing component was up 1.1%. The good numbers were driven by the auto component (+9.9%) and machinery component.

Market Data*

CDS HY 5Y	563.80	-2.74%
ITX Crossover	432.40	-3.65%
CDS Japan 5Y	69.62	-2.07%
CDS EM 5Y	112.23	+0.37%
CDS Russia 5Y	159.93	-2.86%
US Tsys 10Y	2.99%	+0.12%
US Tsys 5Y	1.69%	+0.03%
Brazil 10Y	3.67%	+0.36%
UK 10Y	2.89%	+0.08%
Germany 10Y	2.24%	+0.17%
EUR/USD	1.2850	-0.23%
USD/JPY	85.47	+0.05%
EUR/GBP	0.8282	-0.18%
Oil Brent	76.3	-0.84%
Gold	1223.1	-0.40%
Copper	7382	+1.82%
Nickel	21880	+1.87%
S&P 500	1092.54	+1.22%
Topix	833	-0.24%
Shanghai Comp	2,666.30	-0.21%
DJ EURO Stoxx	2721.16	-0.73%
VIX	24.33	-1.77%

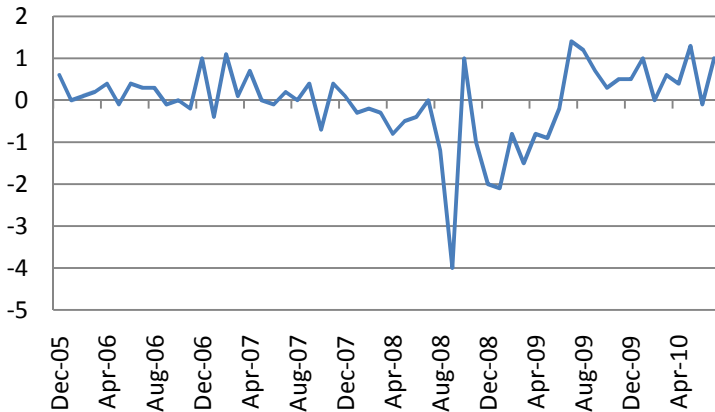
Most active stocks in Europe*

TOGNUM AG	15.285	-2.05%
AIR FRANCE-KLM	10.86	-2.12%
ADIDAS AG	42.435	-1.46%
KPN (KONIN) NV	10.93	-1.44%
SBM OFFSHORE NV	12.43	-1.35%
ARCELORMITTAL	24.15	-1.37%
STMICROELECTRONI	5.939	-1.21%
MICHELIN-B	60.52	-1.22%
DEUTSCHE BANK-RG	52.44	-1.17%
PPR	101.4	-1.12%
TOGNUM AG	15.285	-2.05%
AEGON NV	4.649	+0.76%
SONOVA HOLDING A	130.2	+0.77%
VOPAK	31.8	+0.98%
SIKA AG-BR	1473.06	+1.08%

*As of 8:00 GMT, Bloomberg

Daily Market Report

Industrial Production



S&P 500 Sub-index	Last	Change
CONS	245.886	+1.48%
DISCRET		
CONS	278.5265	+0.76%
ENERGY	405.5853	+1.46%
FINANCIALS	190.0834	+0.74%
HEALTH CARE	339.606	+1.28%
INDUSTRIALS	258.841	+1.79%
INFO TECH	344.06	+1.13%
MATERIALS	194.6422	+2.31%
TELECOM	113.6867	+1.21%
SERV		
UTILITIES	156.4719	+0.90%

Asian markets closed mixed on Wednesday. Japanese Nikkei was up 0.86%. Kospi added 0.4%. Hang Seng lost 0.54% while Shanghai stock indices inched down on average 0.22%. Australian S&P/ASX 200 Index closed flat.

European indices opened lower in the morning. Dow Jones Eurostoxx 600 lost 0.62% with Utilities (+0.79%) and Basic Materials (+0.78%) outperforming.

DJIA Eurostoxx	Last	Change
SX3P	331.84	-0.59%
SX4P	471.03	-0.57%
SX6P	309.6	-0.22%
SX7P	217.44	-1.22%
SX86P	106.2	-0.16%
SX8P	188.75	-0.66%
SXAP	258.13	-0.89%
SXDP	376.39	+0.28%
SXEP	297.91	-1.52%
SXFP	234.87	-0.73%
SXIP	150.35	-0.51%
SXKP	266.31	-0.46%
SXMP	168.59	-0.68%
SXNP	280.74	-0.43%
SXOP	246.96	-0.63%
SXPP	497.99	-1.38%
SXQP	372.85	-0.90%
SXRP	263.12	-0.36%
SXTP	117.18	-0.31%
SXXP	256.67	-0.70%

European corporate news and events

- SBM Offshore NV (SBMO NA) reported first-half net income of \$77.6 million (consensus – \$108 million). *Bloomberg*.
- Groupe Eurotunnel SA (GET FP): Traffic has increased and passenger transport is doing well, CEO Jacques Gounon told Le Figaro in an interview. *Bloomberg*.
- Sanofi-Aventis SA (SAN FP): A federal judge in Washington, DC took “under advisement” a request by the Paris-based drugmaker to stop U.S. regulators permitting sales of the generic version of its Lovenox blood thinner. *Bloomberg*.
- Valeo SA (FR FP): Pardus Capital Management said its representative Behdad Alizadeh has resigned from the board of France’s second-largest auto-parts maker. *Bloomberg*.

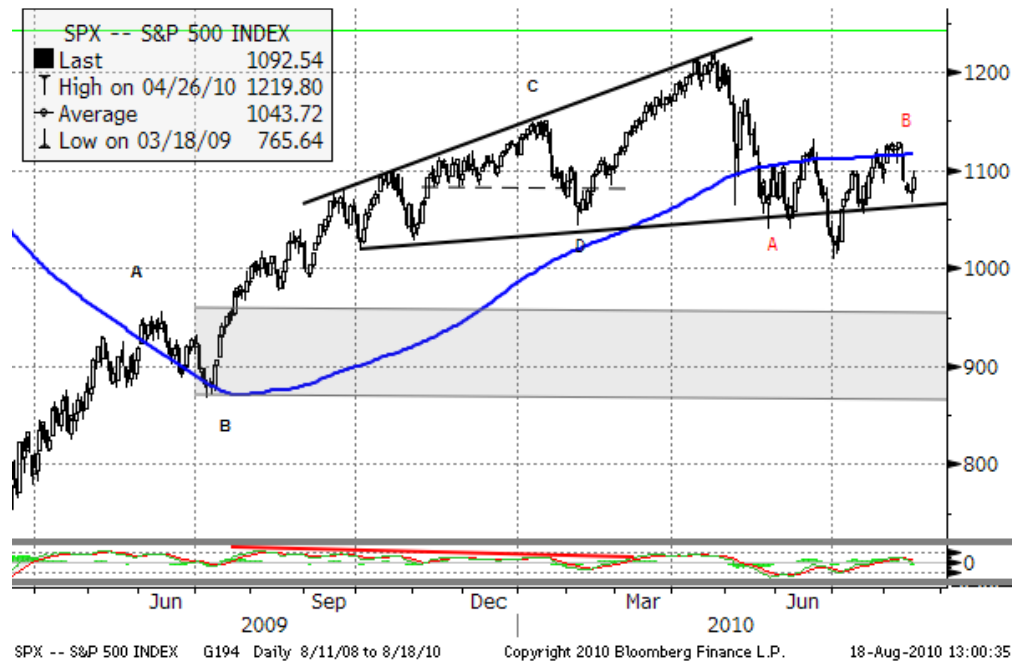
- Munich Re (MUV2 GY) CEO Nikolaus von Bomhard has concerns about the profitability of the life insurance business. *Financial Times Deutschland*.

Ahead Today

No significant economic reports are due to be released today, except MBA weekly mortgage applications statistics, due at 15:00 GMT.

Technical view

S&P 500 Index, daily



The S&P 500 Index has formed a long-term head & shoulders pattern and went down to a support line around 1060. A midterm target seems to be below 1000 at around 980 and 850 in 1-2 months.

However, bounce to 1100 is possible in the coming days as a bullish candlestick pattern “hammer” was formed at the chart.

Current support levels are at 1068, 1055, 1010, 980, 950, 870.

Resistance levels: 1100, 1130, 1150.

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, if the index holds above the 200-moving average, the test of 260 resistance level is likely to take place in the coming days as a bullish candlestick pattern “hammer” has been formed.

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

Important resistance levels – 260, 272.

EURUSD, daily



EURUSD finished the first impulse 5-wave leg of a correction to major move from December 2009 to June 2010 and retraced to 1.2781 (almost (iv)-wave low of the formation. After a bounce to 1.30-1.31, the retracement is likely to go on in the coming days to a support around 1.25, if this correction turns out to be a zigzag. If it turns out to be a flat, a consolidation range 1.28-1.31 is likely to be formed in the near future.

However, testing new highs of this year above 1.40 is still likely after this correction is finished in 2-3 weeks.

US earnings season results

Sector	Reported	Total	Pos Surp	Neg Surp
All Securities	445	498	335	105
Oil & Gas	36	36	25	11
Basic Materials	26	26	16	10
Industrials	67	72	55	11
Consumer Goods	43	55	33	10
Health Care	44	46	31	12
Consumer Services	54	73	47	6
Telecommunications	10	10	7	2
Utilities	36	36	24	12
Financials	82	83	64	18
Technology	47	61	33	13

EU Earnings season results

Sector	Reported	Total	Pos Surp	Neg Surp
All Securities	286	317	153	112
Oil & Gas	23	25	10	13
Basic Materials	31	32	19	11
Industrials	55	59	29	22
Consumer Goods	31	32	17	12
Health Care	22	24	10	12
Consumer Services	20	26	14	5
Telecommunications	15	15	7	8
Utilities	16	17	7	7
Financials	58	71	30	17
Technology	15	16	10	5

Daily Market Report

Macroeconomic calendar*					
Time, GMT	Country	Data	Period	Forecast	Prior.
08/16/2010 02:00	CH	Conference Board China June Leading	23-Apr		
08/16/2010 04:00	JN	Tokyo Condominium Sales (YoY)	JUL	--	--
08/16/2010 09:00	EC	Euro-Zone CPI (MoM)	JUL	--	0.00%
08/16/2010 09:00	EC	Euro-Zone CPI (YoY)	JUL F	--	--
08/16/2010 09:00	EC	Euro-Zone CPI - Core (YoY)	JUL	--	0.90%
16-20 AUG	JN	Nationwide Dept. Sales (YoY)	AUG	--	--
16-20 AUG	JN	Tokyo Dept. Store Sales (YoY)	JUL	--	--
08/16/2010 12:30	US	Empire Manufacturing	AUG	--	5.08
08/16/2010 13:00	US	Net Long-term TIC Flows	JUN	--	\$35.4B
08/16/2010 13:00	US	Total Net TIC Flows	JUN	--	\$17.5B
08/16/2010 14:00	US	NAHB Housing Market Index	AUG	--	14
16-27 AUG	US	Mortgage Delinquencies	2Q	--	10.06%
16-27 AUG	US	MBA Mortgage Foreclosures	2Q	--	4.63%
08/17/2010 08:00	EC	ECB Euro-Zone Current Account SA	JUN	--	-5.8B
08/17/2010 08:00	EC	Euro-Zone Current Account nsa	JUN	--	-16.7B
08/17/2010 08:30	UK	CPI (MoM)	JUL	--	0.10%
08/17/2010 08:30	UK	CPI (YoY)	JUL	--	3.20%
08/17/2010 08:30	UK	Core CPI YOY	JUL	--	3.10%
08/17/2010 08:30	UK	Retail Price Index	JUL	--	224.1
08/17/2010 08:30	UK	RPI (MoM)	JUL	--	0.20%
08/17/2010 08:30	UK	RPI (YoY)	JUL	--	5.00%
08/17/2010 09:00	EC	ZEW Survey (Econ. Sentiment)	AUG	--	10.7
08/17/2010 09:00	GE	ZEW Survey (Econ. Sentiment)	AUG	--	21.2
08/17/2010 09:00	GE	Zew Survey (Current Situation)	AUG	--	14.6
08/17/2010 12:30	US	Producer Price Index (MoM)	JUL	--	-0.50%
08/17/2010 12:30	US	PPI Ex Food & Energy (MoM)	JUL	--	0.10%
08/17/2010 12:30	US	Producer Price Index (YoY)	JUL	--	2.80%
08/17/2010 12:30	US	PPI Ex Food & Energy (YoY)	JUL	--	1.10%
08/17/2010 12:30	US	Housing Starts	JUL	--	549K
08/17/2010 12:30	US	Housing Starts MOM%	JUL	--	-5.00%
08/17/2010 12:30	US	Building Permits	JUL	--	586K
08/17/2010 12:30	US	Building Permits MOM%	JUL	--	2.10%
08/17/2010 13:15	US	Industrial Production	JUL	--	0.10%
08/17/2010 13:15	US	Capacity Utilization	JUL	--	74.10%
08/17/2010 15:30	US	U.S. to Sell 4-Week Bills	17-Aug		
08/17/2010 20:30	US	API U.S. Crude Oil Inventories	13-Aug	--	--
08/17/2010 20:30	US	API U.S. Gasoline Inventories	13-Aug	--	--
08/17/2010 20:30	US	API U.S. Distillate Inventory	13-Aug	--	--
08/17/2010 20:30	US	API Cushing Crude OK Inventory	13-Aug	--	--
08/17/2010 21:00	US	ABC Consumer Confidence	15-Aug	--	--
08/18/2010 05:00	JN	Leading Index CI	JUN F	--	--
08/18/2010 05:00	JN	Coincident Index CI	JUN F	--	--

Daily Market Report

08/18/2010 08:30	UK	Bank of England Minutes	18-Aug		
08/18/2010 09:00	EC	Construction Output SA MoM	JUN	--	-1.00%
08/18/2010 09:00	EC	Construction Output WDA YoY	JUN	--	-6.30%
08/18/2010 11:00	US	MBA Mortgage Applications	13-Aug	--	--
08/18/2010 14:30	US	DOE U.S. Crude Oil Inventories	13-Aug	--	--
08/18/2010 14:30	US	DOE U.S. Gasoline Inventories	13-Aug	--	--
08/18/2010 14:30	US	DOE U.S. Distillate Inventory	13-Aug	--	--
08/18/2010 14:30	US	DOE U.S. Refinery Utilization	13-Aug	--	--
08/18/2010 14:30	US	DOE Cushing OK Crude Inventory	13-Aug	--	--
08/18/2010 14:30	US	DOE Crude Oil Implied Demand	13-Aug	--	--
08/18/2010 14:30	US	DOE Gasoline Implied Demand	13-Aug	--	--
08/18/2010 14:30	US	DOE Distillate Implied Demand	13-Aug	--	--
08/19/2010 04:30	JN	All Industry Activity Index (MoM)	JUN	--	0.20%
08/19/2010 06:00	GE	Producer Prices (MoM)	JUL	--	0.60%
08/19/2010 06:00	GE	Producer Prices (YoY)	JUL	--	1.70%
19-29 AUG	US	Obama vacations at Martha's Vineyard	23-Apr		
08/19/2010 12:30	US	Initial Jobless Claims	14-Aug	--	--
08/19/2010 12:30	US	Continuing Claims	7-Aug	--	--
08/19/2010 14:00	US	Philadelphia Fed.	AUG	--	5.1
08/19/2010 14:00	US	Leading Indicators	JUL	--	-0.20%
08/19/2010 14:30	US	EIA Natural Gas Storage Change	13-Aug	--	--
08/20/2010 07:00	JN	Convenience Store Sales YoY	JUL	--	-1.50%
21-24 AUG	EC	PMI Services	AUG A	--	--
21-24 AUG	EC	PMI Manufacturing	AUG A	--	--
21-24 AUG	EC	PMI Composite	AUG A	--	--

Earnings Calendar – US*

Company Name	Ticker	Date	Time	Period	Actual	Estimate	Surprise
Urban Outfitters Inc	URBN	8/16/2010	20:00	Q2		0.39	
Agilent Technologies Inc	A US	8/16/2010	Aft-mkt	Q3		0.474	
Lowe's Cos Inc	LOW US	8/16/2010		Q2		0.585	
Sysco Corp	SYY US	8/16/2010		Q4		0.577	
Wal-Mart Stores Inc	WMT	8/17/2010	11:00	Q2		0.962	
Abercrombie & Fitch Co	ANF US	8/17/2010	11:00	Q2		0.151	
TJX Cos Inc	TJX US	8/17/2010	13:30	Q2		0.731	
Analog Devices Inc	ADI US	8/17/2010	20:00	Q3		0.602	
Home Depot Inc	HD US	8/17/2010		Q2		0.705	
NetApp Inc	NTAP	8/18/2010	20:00	Q1		0.456	
Ltd Brands Inc	LTD US	8/18/2010	Aft-mkt	Q2		0.357	
Deere & Co	DE US	8/18/2010		Q3		1.221	
Applied Materials Inc	AMAT	8/18/2010		Q3		0.158	
Target Corp	TGT US	8/18/2010		Q2		0.917	

Daily Market Report

Sears Holdings Corp	SHLD	8/19/2010	Bef-	Q2	-0.184	
Ross Stores Inc	ROST	8/19/2010	12:30	Q2	1.065	
Gap Inc/The	GPS US	8/19/2010	20:00	Q2	0.351	
Hewlett-Packard Co	HPQ US	8/19/2010	Aft-mkt	Q3	1.073	
Intuit Inc	INTU US	8/19/2010	Aft-mkt	Q4	-0.099	
Salesforce.com Inc	CRM US	8/19/2010	Aft-mkt	Q2	0.081	
Dell Inc	DELL US	8/19/2010		Q2	0.3	
Staples Inc	SPLS US	8/19/2010		Q2	0.198	
GameStop Corp	GME US	8/19/2010		Q2	0.268	
Hormel Foods Corp	HRL US	8/20/2010	Bef-	Q3	0.592	
JM Smucker Co/The	SJM US	8/20/2010		Q1	0.956	

Earnings calendar, Europe*							
Company Name	Ticker	Date	Time	Period	Actual	Estimate	Surprise
Michael Page International PLC	MPI LN	8/16/2010	6:00	S1 2010	0.066	0.066	0%
IMMOFINANZ AG	IIA AV	8/16/2010	Aft-	Y 2010		0.209	
Hochtief AG	HOT GR	8/16/2010		Q2 2010	0.812	0.732	10.93%
Cimpor Cimentos de Portugal	CPR PL	8/17/2010	Bef-	S1 2010			
Carlsberg A/S	CARLB DC	8/17/2010	5:00	Q2 2010		13.706	
Tryg AS	TRYG DC	8/17/2010	5:30	S1 2010			
Crucell NV	CRXL NA	8/17/2010	5:45	S1 2010			
Wienerberger AG	WIE AV	8/17/2010	6:00	Q2 2010		0.223	
Galenica AG	GALN SW	8/17/2010		S1 2010		16.955	
PSP Swiss Property AG	PSPN SW	8/17/2010		Q2 2010		0.78	
Sydbank A/S	SYDB DC	8/17/2010		Q2 2010		2.89	
Schindler Holding AG	SCHP SW	8/17/2010		S1 2010		2.56	
Telekom Austria AG	TKA AV	8/18/2010	5:00	Q2 2010		0.178	
Swiss Life Holding AG	SLHN VX	8/18/2010	5:00	S1 2010		5	
SBM Offshore NV	SBMO NA	8/18/2010	5:30	S1 2010		0.608	
Eurasian Natural Resources Corp	ENRC LN	8/18/2010	6:00	S1 2010		0.737	
Vestas Wind Systems A/S	VWS DC	8/18/2010	6:30	Q2 2010		-0.017	
Henderson Group PLC	HGG LN	8/18/2010	8:00	S1 2010		0.048	
AP Moller - Maersk A/S	MAERSKB	8/18/2010		S1 2010		2179	
Voestalpine AG	VOE AV	8/18/2010		Q1 2011		0.626	
William Demant Holding AS	WDH DC	8/18/2010		S1 2010		8.016	
Holcim Ltd	HOLN VX	8/19/2010	5:00	Q2 2010		1.665	
Straumann Holding AG	STMN SW	8/19/2010	5:00	S1 2010		5.299	
FLSmidth & Co A/S	FLS DC	8/19/2010	6:00	Q2 2010		5.764	
Coloplast A/S	COLOB DC	8/19/2010	6:00	Q3 2010		8.755	

Daily Market Report

Koninklijke Boskalis Westminster	BOKA NA	8/19/2010	S1 2010		0.85	
bwin Interactive Entertainment	BWIN AV	8/19/2010	Q2 2010			
VIENNA INSURANCE GROUP AG	VIG AV	8/19/2010	Q2 2010		0.66	
Ratos AB	RATOB SS	8/20/2010	6:30 Q2 2010			
Valiant Holding	VATN SW	8/20/2010	S1 2010			

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