

August 19, 2010

US major stock indices closed higher on Wednesday with Consumer Services and Telecommunications (+0.67%) as the leaders. Target Corp. announcement that the company could meet analyst's profit expectations were supportive for the retailers.

Asian markets were green on Thursday. Japanese Nikkei rose by 1.32%, led by Financials after the government's housing loan agency said it would extend a low interest rate mortgage program for a year. Kospi added 1.0%. Shanghai stock indices added on average 0.5% and Hang Seng was up 0.24%, led by commodities oriented stocks. Australian S&P/ASX 200 Index closed almost flat. Risk indicators suggested that risk appetite was increasing around the world markets.

European indices opened lower in the morning after the French prime-minister announced an emergency meeting on the french economy, but went into the flat after good retail sales report from the UK. Dow Jones Eurostoxx 600 was up 0.12% with Technology stocks and Consumer Services (0.31%) outperforming.

European corporate news and events

- Infineon Technologies AG (IFX GY) plans to make a decision on its mobile-chip unit Wireless Solutions soon. Frankfurter Allgemeine Zeitung.

- Volkswagen AG (VOW3 GY) plans to reintroduce the \$85,000 Phaeton in the U.S. as part of the German carmaker's aim of tripling its share of the world's second-largest market by 2018. The company is looking at all options, including a sale of the unit, a joint venture or developing the business within an affiliated group, the newspaper reported. *Bloomberg*.

- Heineken NV (HEIA NA) confirmed the acquisition of Femsca Cerveza is expected to boost earnings per share after two years and said the unit posted 2009 earnings in line with a shareholders' circular published March 23. *Bloomberg*.

Market Data*

CDS HY 5Y	557.11	-1.19%
ITX Crossover	421.12	-2.61%
CDS Japan 5Y	67.43	-3.13%
CDS EM 5Y	112.08	-0.13%
CDS Russia 5Y	159.57	-0.22%
US Tsys 10Y	3.03%	-0.14%
US Tsys 5Y	1.72%	-0.08%
Brazil 10Y	3.61%	+0.09%
UK 10Y	2.88%	-0.05%
Germany 10Y	2.23%	-0.07%
EUR/USD	1.2793	-0.64%
USD/JPY	85.76	-0.48%
EUR/GBP	0.8243	+0.02%
Oil Brent	76.92	+0.59%
Gold	1231.5	+0.01%
Copper	7390	+0.11%
Nickel	21831	-0.22%
S&P 500	1094.16	+0.15%
Topix	839.5	-0.59%
Shanghai Comp	2,687.98	+0.81%
DJ EURO Stoxx	2719.17	-0.35%
VIX	24.59	+0.26

Most active stocks in Europe*

LAFARGE SA	38.42	-1.71%
SOC GENERALE	42.545	-1.46%
PEUGEOT SA	22.245	-1.24%
PPR	104.35	+0.82%
VOLKSWAGEN AG	73.28	+0.89%
MAN SE	71.1	+0.99%
TOGNUM AG	15.52	+1.01%
ARCELORMITTAL	24.56	+1.17%
FUGRO NV-CVA	46.23	+1.28%
INFINEON TECH	4.867	+1.40%
ARKEMA	35.415	+1.58%
QIAGEN NV	14.235	+1.75%
BOSKALIS WES	33.65	+1.89%
ASML HOLDING NV	22.745	+2.04%
SIKA AG-BR	1507.33	+2.33%

*As of 8:00 GMT, Bloomberg

Daily Market Report

- Royal Boskalis Westminster NV (BOKA NA) had a first-half profit of 123.9 million euros from 102.7 million euros a year earlier and raised its profit forecast for this year as orders increased for oil and gas projects. *Bloomberg*.

- Holcim Ltd. (HOLN VX) said second-quarter net income fell 12 percent to 399 million Swiss francs. *Bloomberg*.

- Sanofi-Aventis SA (SAN FP): Koor Industries Ltd., a company controlled by billionaire Nochi Dankner, said its board recently approved an investment of up to \$120 million in shares of the company. *Bloomberg*.

Ahead Today

Weekly jobless claims data, due at 12:30 GMT, as well as Philadelphia Fed Manufacturing Index and the Leading Indicators, due at 14:00, will be in focus in the US today.

S&P 500 Sub-index	Last	Change
CONS	248.1648	+0.93%
DISCRET		
CONS	278.7766	+0.09%
STAPLES		
ENERGY	401.2307	-1.07%
FINANCIALS	190.8475	+0.40%
HEALTH CARE	339.1607	-0.13%
INDUSTRIALS	259.2118	+0.14%
INFO TECH	345.6151	+0.45%
MATERIALS	195.3543	+0.37%
TELECOM		
SERV	114.4476	+0.67%
UTILITIES	155.6581	-0.52%

DJIA Eurostoxx	Last	Change
SX3P	334.35	+0.03%
SX4P	471.33	-0.36%
SX6P	309.52	-0.17%
SX7P	218.63	+0.16%
SX86P	106.3	-0.08%
SX8P	191.52	+1.07%
SXAP	260.87	+0.32%
SXDP	377.01	-0.01%
SXEP	299.21	+0.24%
SXFP	235.96	+0.22%
SXIP	149.98	-0.33%
SXKP	266.71	-0.20%
SXMP	170.4	+0.46%
SXNP	282.19	+0.04%
SXOP	247.24	-0.70%
SXPP	502.84	+0.78%
SXQP	373.87	-0.04%
SXRP	266.45	+0.63%
SXTP	118.17	+0.58%
SXXP	257.85	+0.10%

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, breaking 1100 and the 200-moving average at 1115 will lead to forming a new leg up inside the B-wave with maximum target below 1200.

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

Resistance levels: 1100, 1130, 1150.

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, if the index holds above the 200-moving average, the test of 260, 276 resistance levels 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.

Daily Market Report

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	450	498	340	105
Oil & Gas	36	36	25	11
Basic Materials	26	26	16	10
Industrials	68	72	56	11
Consumer Goods	43	55	33	10
Health Care	44	46	31	12
Consumer Services	56	73	49	6
Telecommunications	10	10	7	2
Utilities	36	36	24	12
Financials	82	83	64	18
Technology	49	61	35	13

EU Earnings season results

Sector	Reported	Total	Pos Surp	Neg Surp
All Securities	293	318	154	117
Oil & Gas	23	25	10	13
Basic Materials	32	32	19	12
Industrials	57	59	29	24
Consumer Goods	31	32	17	12
Health Care	24	25	10	13
Consumer Services	21	26	14	6
Telecommunications	15	15	7	8
Utilities	16	17	7	7
Financials	59	71	31	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	--	--

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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	

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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	

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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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