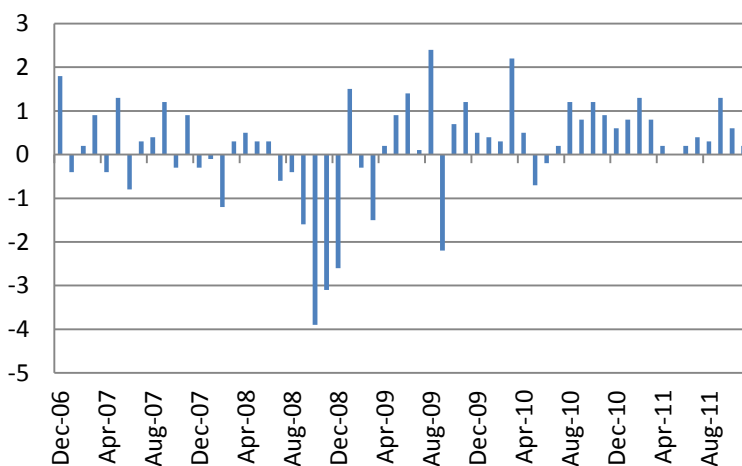




The US indices fell on Tuesday as Merkel showed tough stance towards possible ESM expansion and Fed made no changes in the final statement after the regular meeting. S&P 500 Index lost 0.87% while Russell was down by 2.06% with Basic Materials (-1.88%) and Consumer Services as the laggards.

Retail sales rose 0.2% vs consensus forecast of 0.6% - consumer activity was low before the "Black Friday".



Asian indices were mostly down on Wednesday. Hang Seng lost 0.03%. Japanese Nikkei was down by 0.39%, Korean Kospi - by 0.34%. S&P/ASX 200 lost 0.07%. Shanghai stock indices were down on average by 0.9%.

Industrial Production in Europe, US import Prices will be in focus today. Merkel is to address German Parliament on emergency mechanism and APEC members are to start regular meeting.

Macro Indicators		
CDS HY 5Y	491.08	+1.11%
ITX Crossover Euro	394.45	+4.04%
CDS Japan 5Y	91.33	+0.18%
CDS EM 5Y	112.56	-0.04%
CDS Russia 5Y	150.69	+1.15%
US Tsys 10Y	3.09%	+0.01%
US Tsys 5Y	1.64%	+0.01%
Brazil 10Y	3.60%	-0.18%
Germany 10Y	2.42%	-0.01%
EUR/USD	1.4076	-0.57%
USD/JPY	79.03	+0.13%
EUR/GBP	0.8739	+0.39%
Oil Brent	116.83	-0.37%
Gold	1597.8	+0.48%
Copper	9672	+0.44%
Nickel	24126	-0.21%
S&P 500	1309	-0.46%
Russell 2000	828.78	+0.66%
Bovespa	59478.01	-0.34%
Topix	859.5	+0.06%
Shanghai Comp	2,817.18	-0.11%
S&P/ASX 300	4,477.10	+0.08%
Sensex 30	18,594.93	+0.18%
Bovespa	59,478.01	-0.34%
DJ Euro Stoxx 50 F	2681	-0.74%
CAC Futures	3731.5	-0.63%
DAX Futures	7250	+0.08%
CBOE Put/Call	0.64	-23.81%
CBOE Buy/Write M	832.62	-0.04%
VIX	19.53	-6.11%
VSTOXX	28.1168	+3.10%

Factor Assessment		
Factor	Grade	Prev. Grade
US credit risks	3	3
Fed Activity	3	5
Corporate news	2	6
Economic statistics	2	1
Inflation concerns	4	4
China tightening	1	2
European Risks	9	7
MENA crisis	2	6
Japan EQ	1	5

News flow from Bloomberg:

Hyundai Emulates VW Market Share Gaining Super Bowl

Ex-Siemens Executives Charged in Argentine ID Bribery Scheme

Airbus May Hire at Least 4,000 People in 2012, Les Echos Says

EON Full-Year Net Loss May Exceed EU1 Billion, Handelsblatt Says

Fitch Takes Rating Actions on Italian-Spanish Insurers

WWW-news:

[Banks tap more funding from ECB](#)

[US Oil Independence](#)

[In Syria, a Deadly Bid to Save Lives](#)

[Germany Steps Up Russian Laundering Probe](#)

[Poland Protesters Blast EU Plan](#)

[Tough Decisions Ahead for Lloyds](#)

Daily Market Report

Calendar*						
Date Time		Event		Survey	Prior	Revised
12/12/2011 05:00	JN	Consumer Confidence	NOV	38,3	38,1	38,6
12/12/2011 07:00	GE	Wholesale Price Index (MoM)	NOV	--	0.7%	-1.0%
12/12/2011 07:00	GE	Wholesale price Index (YoY)	NOV	--	4.9%	5.0%
12/12/2011 14:30	EC	ECB Calls for Bids in 7-Day Main				
12/12/2011 14:30	EC	ECB Calls for Bids in 1-Month				
12/12/2011 16:00	US	U.S. Fed to Purchase USD1.00-1.50				
12/12/2011 18:00	US	U.S. to Sell USD32 Bln 3-Year Notes				
12/12/2011 18:30	US	The Institute for Policy Studies				
12/12/2011 18:45	EC	France's Coeure at EU Parliament				
12/12/2011 19:00	US	Monthly Budget Statement	NOV	-	--	-
12/12/2011 23:01	GE	Germany First Quarter Manpower				
11-15 DEC	CH	New Yuan Loans	NOV	550.0B	--	586.8B
11-15 DEC	CH	Money Supply - M0 (YoY)	NOV	--	--	11.9%
11-15 DEC	CH	Money Supply - M1 (YoY)	NOV	8.6%	--	8.4%
11-15 DEC	CH	Money Supply - M2 (YoY)	NOV	12.8%	--	12.9%
12/13/2011	EC	ECB's Reserve Maintenance Period				
12/13/2011 05:01	CH	China Manpower Survey	1Q	--	--	25%
12/13/2011 10:00	GE	Zew Survey (Current Situation)	DEC	31	--	34,2
12/13/2011 10:00	EC	ZEW Survey (Econ. Sentiment)	DEC	--	--	-59,1
12/13/2011 10:00	GE	ZEW Survey (Econ. Sentiment)	DEC	-55,8	--	-55,2
12/13/2011 10:15	EC	ECB Announces Allotment in 7-Day				
12/13/2011 10:15	EC	ECB Announces Allotment in 1-				
12/13/2011 12:00	EC	ECB's Mersch Speaks at Event in				
12/13/2011 12:00	EC	ECB's Mersch Speaks at Event in				
12/13/2011 12:30	US	NFIB Small Business Optimism	NOV	91,4	--	90,2
12/13/2011 13:30	US	Advance Retail Sales	NOV	0.6%	--	0.5%
12/13/2011 13:30	US	Retail Sales Less Autos	NOV	0.4%	--	0.6%
12/13/2011 13:30	US	Retail Sales Ex Auto & Gas	NOV	0.5%	--	0.7%
12/13/2011 13:45	US	Foreign Policy Initiative holds a				
12/13/2011 14:00	US	The Federal Open Market				
12/13/2011 15:00	US	The United States Commission on				
12/13/2011 15:00	US	IBD/TIPP Economic Optimism	DEC	41,8	--	40,6
12/13/2011 15:00	US	JOLTs Job Openings	OCT	--	--	3354
12/13/2011 15:00	US	Business Inventories	OCT	0.8%	--	0.0%
12/13/2011 17:30	EC	ECB'S Weidmann Speaks in				
12/13/2011 18:00	US	U.S. to Sell USD21 Bln 10-Year				
12/13/2011 19:15	US	FOMC Rate Decision	DEC 13	0.25%	--	0.25%
12/13/2011 21:30	US	API U.S. Crude Oil Inventories	DEC 9	--	--	-5035K
12/13/2011 21:30	US	API Cushing Crude OK Inventory	DEC 9	--	--	-1223K
12/13/2011 21:30	US	API U.S. Distillate Inventory	DEC 9	--	--	1680K
12/13/2011 21:30	US	API U.S. Gasoline Inventories	DEC 9	--	--	5966K
12/14/2011 02:00	CH	Conference Board China October				

Daily Market Report

12/14/2011 04:30	JN	Industrial Production (MoM)	OCT F	--	--	2.4%
12/14/2011 04:30	JN	Industrial Production YOY%	OCT F	--	--	0.4%
12/14/2011 08:00	LX	ECB's Mersch Presents BCL's				
12/14/2011 10:00	EC	Euro-Zone Ind. Prod. wda (YoY)	OCT	2.1%	--	2.2%
12/14/2011 10:00	EC	Euro-Zone Ind. Prod. sa (MoM)	OCT	0.0%	--	-2.0%
12/14/2011 13:30	GE	Germany's Schaeuble, Weidmann				
12/14/2011 13:30	US	Fed's Lockhart Speaks about				
12/14/2011 13:30	US	Import Price Index (MoM)	NOV	1.0%	--	-0.6%
12/14/2011 13:30	US	Import Price Index (YoY)	NOV	10.1%	--	11.0%
12/14/2011 15:30	US	DOE U.S. Crude Oil Inventories	DEC 9	--	--	1336K
12/14/2011 15:30	US	DOE Cushing OK Crude Inventory	DEC 9	--	--	-196K
12/14/2011 15:30	US	DOE U.S. Distillate Inventory	DEC 9	--	--	2533K
12/14/2011 15:30	US	DOE U.S. Gasoline Inventories	DEC 9	--	--	5147K
12/14/2011 15:30	US	DOE Crude Oil Implied Demand	DEC 9	--	--	15106
12/14/2011 15:30	US	DOE Distillate Implied Demand	DEC 9	--	--	4868,1
12/14/2011 15:30	US	DOE Gasoline Implied Demand	DEC 9	--	--	9102,6
12/14/2011 16:00	US	U.S. Fed to Sell USD8.00-8.75 Bln				
12/14/2011 18:00	US	U.S. to Sell USD13 Bln 30-Year				
12/15/2011 02:30	CH	HSBC Flash China Manufacturing	DEC	--	--	48
12/15/2011 08:00	GE	Merkel Speech in Parliament on EU				
12/15/2011 08:30	GE	PMI Manufacturing	DEC A	47,5	--	47,9
12/15/2011 08:30	GE	PMI Services	DEC A	50	--	50,3
12/15/2011 09:00	FI	ECB's Erkki Liikanen Speaks at Bank				
12/15/2011 09:00	EC	ECB Publishes Dec. Monthly Report				
12/15/2011 09:00	EC	PMI Composite	DEC A	46,5	--	47
12/15/2011 09:00	EC	PMI Manufacturing	DEC A	46	--	46,4
12/15/2011 09:00	EC	PMI Services	DEC A	47	--	47,5
12/15/2011 10:00	EC	Euro-Zone CPI - Core (YoY)	NOV	1.6%	--	1.6%
12/15/2011 10:00	EC	Euro-Zone CPI (MoM)	NOV	0.1%	--	0.3%
12/15/2011 10:00	EC	Euro-Zone CPI (YoY)	NOV	3.0%	--	3.0%
12/15/2011 10:00	EC	Eurozone Employment (QoQ)	3Q	--	--	0.3%
12/15/2011 10:00	EC	Eurozone Employment (YoY)	3Q	--	--	0.4%
12/15/2011 11:25	GE	ECB President Draghi Speech on				
12/15/2011 13:30	US	Producer Price Index (MoM)	NOV	0.2%	--	-0.3%
12/15/2011 13:30	US	PPI Ex Food & Energy (MoM)	NOV	0.2%	--	0.0%
12/15/2011 13:30	US	Producer Price Index (YoY)	NOV	5.9%	--	5.9%
12/15/2011 13:30	US	PPI Ex Food & Energy (YoY)	NOV	2.8%	--	2.8%
12/15/2011 13:30	US	Current Account Balance	3Q	-	--	-
12/15/2011 13:30	US	Empire Manufacturing	DEC	3	--	0,61
12/15/2011 13:30	US	Initial Jobless Claims	DEC 10	390K	--	--
12/15/2011 13:30	US	Continuing Claims	DEC 3	3630K	--	--
12/15/2011 14:00	US	Net Long-term TIC Flows	OCT	--	--	\$68.6B
12/15/2011 14:00	US	Total Net TIC Flows	OCT	--	--	\$57.4B
12/15/2011 14:15	US	The Woodrow Wilson Center				

Daily Market Report

12/15/2011 14:15	US	Industrial Production	NOV	0.2%	--	0.7%
12/15/2011 14:15	US	Capacity Utilization	NOV	77.9%	--	77.8%
12/15/2011 14:45	US	Bloomberg Consumer Comfort	DEC 11	--	--	-50,3
12/15/2011 15:00	US	Philadelphia Fed.	DEC	5	--	3,6
12/15/2011 15:30	US	The Heritage Foundation holds a				
12/15/2011 16:00	US	U.S. Fed to Purchase USD4.25-5.00				
12/15/2011 18:00	US	U.S. to Sell USD12 Bln 5-Year TIPS				
12/16/2011 07:00	EC	EU 25 New Car Registrations	NOV	--	--	-1.8%
12/16/2011 08:00	IT	Draghi, King, Bini Smaghi, Visco,				
12/16/2011 08:00	GE	Merkel Attends Session of				
12/16/2011 10:00	EC	Euro-Zone Labour Costs (YoY)	3Q	--	--	3.6%
12/16/2011 10:00	EC	Euro-Zone Trade Balance sa	OCT	0.5B	--	2.1B
12/16/2011 10:00	EC	Euro-Zone Trade Balance	OCT	1.0B	--	2.9B
12/16/2011 13:30	US	Consumer Price Index (MoM)	NOV	0.1%	--	-0.1%
12/16/2011 13:30	US	CPI Ex Food & Energy (MoM)	NOV	0.1%	--	0.1%
12/16/2011 13:30	US	Consumer Price Index (YoY)	NOV	3.5%	--	3.5%
12/16/2011 13:30	US	CPI Ex Food & Energy (YoY)	NOV	2.1%	--	2.1%
12/16/2011 13:30	US	Consumer Price Index NSA	NOV	226,2	--	226,421
12/16/2011 13:30	US	CPI Core Index SA	NOV	--	--	226,444
12/16/2011 16:00	US	U.S. Fed to Purchase USD2.25-2.75				
12/16/2011 16:15	US	Fed's Evans Speaks on Econometric				
12/16/2011 17:55	US	Fed's Fisher Speaks on Economy in				
12/16/2011 19:00	US	U.S. Fed to Purchase USD4.25-5.00				
12/19/2011 09:00	EC	World Trade Organization's				
12/19/2011 09:00	EC	Euro-Zone Current Account nsa	OCT	--	--	-2.5B
12/19/2011 09:00	EC	ECB Euro-Zone Current Account SA	OCT	--	--	0.5B
12/19/2011 10:00	EC	Construction Output SA MoM	OCT	--	--	-1.3%
12/19/2011 10:00	EC	Construction Output WDA YoY	OCT	--	--	0.4%
12/19/2011 15:00	US	NAHB Housing Market Index	DEC	20	--	20
12/19/2011 16:00	US	U.S. Fed to Purchase USD4.25-5.00				
12/19/2011 17:30	US	Fed's Lacker, Bank of America's				
12/19/2011 18:00	US	U.S. to Sell 2-Year Notes				
12/20/2011 05:00	JN	Leading Index CI	OCT F	--	--	91,5
12/20/2011 05:00	JN	Coincident Index CI	OCT F	--	--	90,3
12/20/2011 07:00	GE	Producer Prices (MoM)	NOV	--	--	0.2%
12/20/2011 07:00	GE	Producer Prices (YoY)	NOV	--	--	5.3%
12/20/2011 09:00	GE	IFO - Business Climate	DEC	--	--	106,6
12/20/2011 09:00	GE	IFO - Current Assessment	DEC	--	--	116,7
12/20/2011 09:00	GE	IFO - Expectations	DEC	--	--	97,3
12/20/2011 13:30	US	Housing Starts	NOV	630K	--	628K
12/20/2011 13:30	US	Housing Starts MOM%	NOV	0.3%	--	-0.3%
12/20/2011 13:30	US	Building Permits	NOV	640K	--	653K
12/20/2011 13:30	US	Building Permits MOM%	NOV	-0.6%	--	10.9%
12/20/2011 16:00	US	U.S. Fed to Purchase USD2.25-2.75				

Daily Market Report

12/20/2011 21:30	US	API U.S. Crude Oil Inventories	DEC 16	--	--	--
12/20/2011 21:30	US	API Cushing Crude OK Inventory	DEC 16	--	--	--
12/20/2011 21:30	US	API U.S. Distillate Inventory	DEC 16	--	--	--
12/20/2011 21:30	US	API U.S. Gasoline Inventories	DEC 16	--	--	--
12/21/2011	JN	BOJ Target Rate	DEC 21	--	--	0.10%
12/21/2011 07:00	GE	GfK Consumer Confidence Survey	JAN	--	--	5,6
12/21/2011 15:00	EC	Euro-Zone Consumer Confidence	DEC A	--	--	-20,4
12/21/2011 15:00	US	Existing Home Sales	NOV	5.08M	--	4.97M
12/21/2011 15:00	US	Existing Home Sales MoM	NOV	2.2%	--	1.4%
12/21/2011 15:30	US	DOE U.S. Crude Oil Inventories	DEC 16	--	--	--
12/21/2011 15:30	US	DOE Cushing OK Crude Inventory	DEC 16	--	--	--
12/21/2011 15:30	US	DOE U.S. Distillate Inventory	DEC 16	--	--	--
12/21/2011 15:30	US	DOE U.S. Gasoline Inventories	DEC 16	--	--	--
12/21/2011 15:30	US	DOE U.S. Refinery Utilization	DEC 16	--	--	--
12/21/2011 15:30	US	DOE Crude Oil Implied Demand	DEC 16	--	--	--
12/21/2011 15:30	US	DOE Distillate Implied Demand	DEC 16	--	--	--
12/21/2011 15:30	US	DOE Gasoline Implied Demand	DEC 16	--	--	--
12/21/2011 16:00	US	U.S. Fed to Sell USD8.00-8.75 Bln				
12/21/2011 18:00	US	U.S. to Sell 7-Year Notes				
12/21/2011 19:00	US	U.S. Fed to Sell USD8.00-8.75 Bln				
12/21/2011 23:00	EC	European Systemic Risk Board				
12/22/2011 05:00	JN	Supermarket Sales (YoY)	NOV	--	--	-0.9%
12/22/2011 13:30	US	Chicago Fed Nat Activity Index	NOV	--	--	-0,13
12/22/2011 13:30	US	GDP QoQ (Annualized)	3Q T	2.0%	--	2.0%
12/22/2011 13:30	US	Personal Consumption	3Q T	2.3%	--	2.3%
12/22/2011 13:30	US	GDP Price Index	3Q T	2.5%	--	2.5%
12/22/2011 13:30	US	Core PCE QoQ	3Q T	2.0%	--	2.0%
12/22/2011 13:30	US	Initial Jobless Claims	DEC 16	--	--	--
12/22/2011 13:30	US	Continuing Claims	DEC 9	--	--	--
12/22/2011 14:45	US	Bloomberg Consumer Comfort	DEC 18	--	--	--
12/22/2011 14:45	US	Bloomberg Economic Expectations	DEC	--	--	-32
12/22/2011 14:55	US	U. of Michigan Confidence	DEC F	--	--	67,7
12/22/2011 15:00	US	Leading Indicators	NOV	0.3%	--	0.9%
12/22/2011 15:00	US	House Price Index MoM	OCT	--	--	0.9%
12/22/2011 15:30	US	EIA Natural Gas Storage Change	DEC 16	--	--	--
12/22/2011 16:00	US	U.S. Fed to Purchase USD4.25-5.00				
12/23/2011 01:35	CH	MNI December Flash Business				
12/23/2011 13:30	US	Durable Goods Orders	NOV	2.0%	--	-0.7%
12/23/2011 13:30	US	Durables Ex Transportation	NOV	0.6%	--	0.7%
12/23/2011 13:30	US	Cap Goods Orders Nondef Ex Air	NOV	--	--	-1.8%
12/23/2011 13:30	US	Cap Goods Ship Nondef Ex Air	NOV	--	--	-1.1%
12/23/2011 13:30	US	Personal Income	NOV	0.3%	--	0.4%
12/23/2011 13:30	US	Personal Spending	NOV	0.4%	--	0.1%
12/23/2011 13:30	US	PCE Deflator (YoY)	NOV	--	--	2.7%

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12/23/2011 13:30	US	PCE Core (MoM)	NOV	0.1%	--	0.1%
12/23/2011 13:30	US	PCE Core (YoY)	NOV	--	--	1.7%
12/23/2011 14:30	EC	ECB Calls for Bids in 7-Day Main				
12/23/2011 15:00	US	New Home Sales	NOV	313K	--	307K
12/23/2011 15:00	US	New Home Sales MoM	NOV	1.8%	--	1.3%
12/23/2011 18:00	US	Baker Hughes U.S. Rig Count	DEC 23	--	--	--
12/26/2011 23:50	JN	Corp Service Price Index (YoY)	NOV	--	--	0.1%
14-17 DEC	CH	Actual FDI (YoY)	NOV	--	--	8.8%
15-17 DEC	EC	WTO Ministerial Conference				
25-28 DEC	CH	Leading Index	NOV	--	--	100,4

Technical view

S&P 500 Index, daily



The S&P 500 has tested 1160 support and bounced sharply to 1265. If 1265 level is passed, new highs above 1300 will become likely. However, failure to overcome 200-MA may lead to test of new lows below 1100 in 2012.

A pessimistic midterm target seems to be around 1020.

Current support levels are at 1225, 1155, 1092, 1041, 1010, 980, 950, 870.

Resistance levels: 1330, 1365, 1400.

Dow Jones Stoxx 600 Europe Index, daily



As 220 support held, bounce to 250, 260 still may go on. However, testing new lows is possible in 2012.

Important support levels: 233, 220, 203.

Important resistance levels –248, 262, 273, 278, 293, 302.

Daily Market Report

AEX, daily



AEX Index (AEX-Index) 0Daily 28OCT2006-14DEC2011 Copyright© 2011 Bloomberg Finance L.P. 14-Dec-2011 11:30:29

Support levels –265, 246, 217, 186.

Resistance levels – 320, 347, 352.

Long term trend – flat.

Mid-term trend – down.

Short-term trend – down.

Daily Market Report

EURUSD, daily



EURUSD has been in a long term flat. The long term reversal may finally lead us to new lows at 1.17 later this year. Failure to make a bounce to 1.41 may lead to breaking support at 1.3212 before the end of 2011.

Likely resistance zones – 1.38, 1.41, 1.43, 1.45, 1.47, 1.4940, 1.5255.

Major support zones – 1.3146, 1.3079, 1.2879.

Daily Market Report

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