



SUMMARY

POSITIONS

+ Sterling Euro

+ T Notes

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Key Trade Round Up 29th May 2012

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9th May 2012 : LONG Sterling SHORT Euro @ 0.8043. Stop **changed @0.8200. Take profit @0.70**

9TH May 2012 LONG Jun 12 TNotes @ 133-06. Stop @ 132.30. Take Profit @ 137.50



(1) TECHNICAL 9th May 2012 : LONG Sterling SHORT Euro @0.8043. Stop **changed** to @0.8200. Profit @0.70

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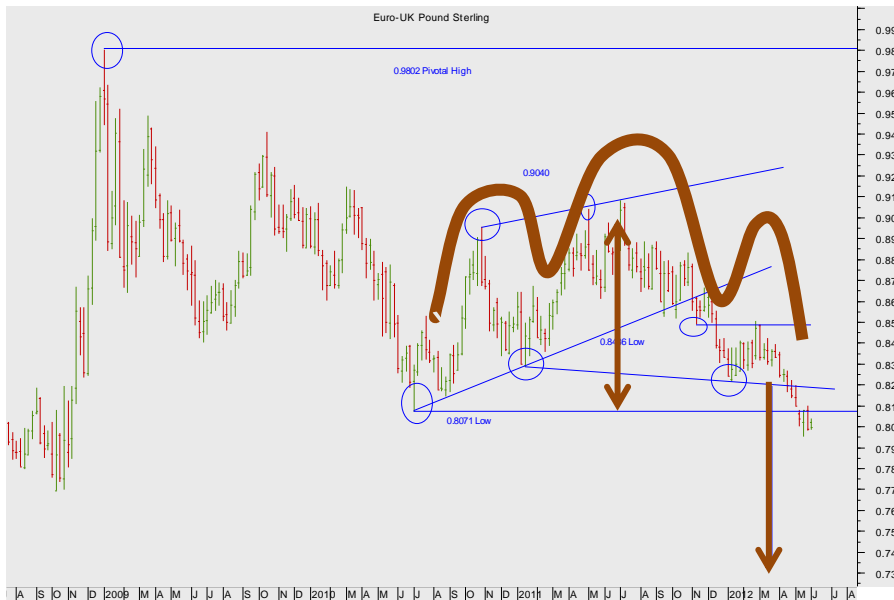
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WEEKLY Chart

1. The bear wedge began the bear move
2. The completed H&S pattern has driven the market through the Pivotal Prior Low at 0.8071 which will be powerful resistance on any rally.

The minimum move for the H&S pattern is 0.74. There is some way to go.



Daily Chart

The market's completion of the H&S pattern has provided the impetus to breakdown through the Prior Low at 0.8071, a close beneath will establish good resistance above the market.

Stop raised to 0.8200

We remain short Sterling.

Disclaimer

More



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The Pound remains under pressure against the Dollar as the contrast between the US and UK deepens. Against the Euro, the Pound has fared better, but due to Sterling's weakness against the Dollar has so far under performed our expectation. However the Euro succumbed to the inevitable last week and gave back its recent gains against Sterling.

With data releases in the US, UK and Euro zone all falling short of expectations to some degree last week, currency traders remained focussed on Euro zone news flows and forced the Euro lower.

With no sign of a Euro zone growth policy and the Germans remaining negative to a pan Euro zone Bond the prospects for the Euro remain negative, even though an opinion poll in Greece showed the parties supporting the rescue pact and austerity drive gaining some support; a policy that will mean deeper recession and Greece coming back with the begging bowl.

In summary we judge the outlook for the Euro remains bearish and advise holding the trade.



(1) TECHNICAL 9TH May 2012 LONG Jun 12 TNotes @ 133-06. Stop @ 131.11. Profit @ 137.50

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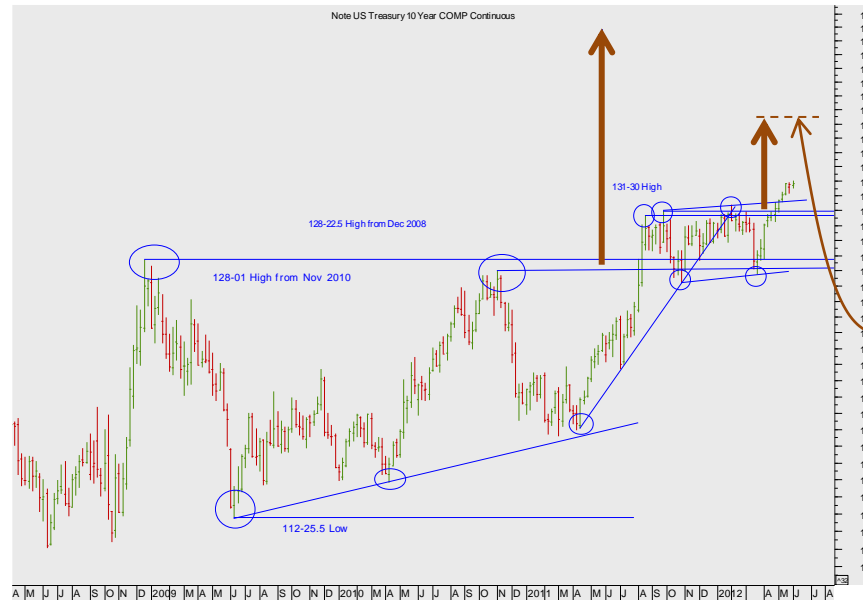
+ US TNote

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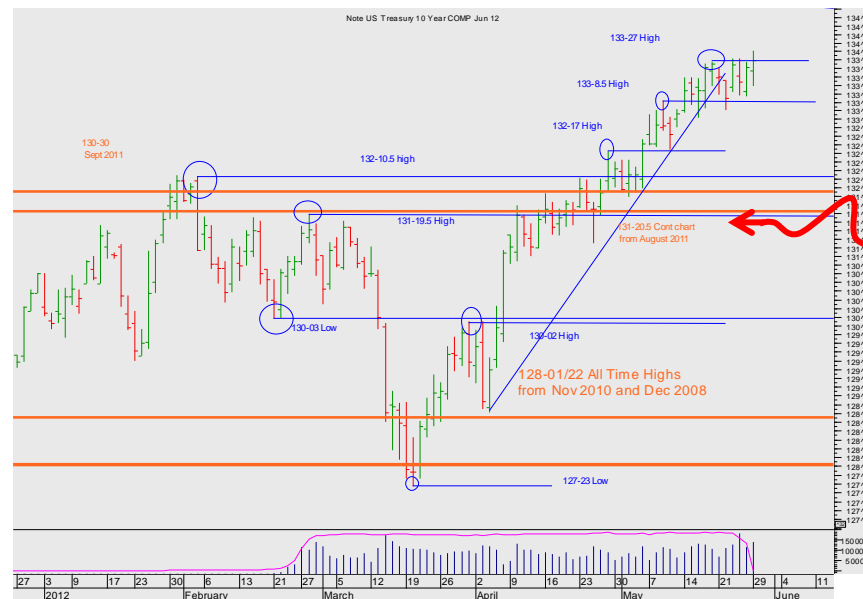


Weekly Chart continuation:

The market remains in the grip of two continuation triangles

The larger of the two completed in 2011 and has a minimum target of 145.

The smaller of the two has a minimum target of 137.



Daily Chart Jun 12:

The market has Prior High horizontal support at 132-10, 133-08.5...

The slow grind continues.

Stops unchanged at 131-11.

More



(1) TECHNICAL 9TH May 2012 LONG Jun 12 TNotes @ 133-06. Stop @ 131.11. Profit @ 137.50

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Last week we highlighted the Existing and New Home Sales reports, as a revival in the housing market would act as a boost to the wider US economy. In the event the data was better than expected, but the main dynamic driving this and other Bond markets remained the debt crisis in Europe.

Looking ahead there are several key reports due this week, but we judge Friday's non-farm payroll report is the main event.

If the recent tepid trend of job creation continues, and the Euro zone crisis deepens, this market will rally further.

In summary we advise holding the trade.



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