



Week 40  
2<sup>nd</sup> – 8<sup>th</sup> October 2012

## Summary

## Global Calendar

## US Markets

- + EURODOLLARS
- + 10 YEAR NOTE
- + US DOLLAR
- + S&P 500

## UK Markets

- + SHORT STERLING
- + GILT
- + STERLING
- + FTSE

## Euro Zone Markets

- + EURIBOR
- + BUND
- + EURO
- + DJ EURO STOXX 50

## Japanese Markets

- + JAPANESE BONDS
- + YEN
- + NIKKEI

## Commodities

- + GOLD
- + OIL

## Disclaimer



# the macro trader's guide to major markets

John Lewis

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## SUMMARY

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● SQUARE  
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● SQUARE  
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● SQUARE

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+ GOLD  
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● BULLISH  
● SQUARE

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	Week of 1 <sup>st</sup> October
Monday	US ISM Mfg 50 US ISM prces paid 55.5 US Construct'n spndg 0.5 UK Net Indg on dwllgs 0.8B UK PMI Mfg 49.3 UK Net cons CR 0.1B UK Mrtge aprvl 49.3K EZ PMI Mfg 46 IT PMI Mfg 44.1 FR PMI Mfg 46.1 DM PMI Mfg 50.6 EZ Unemploy'm't rate 11.4% JP Tankan Lrge mfg outlk -5
Tuesday	US ISM NYK n/f UK PMI Construction 49.9 UK BRC Shop prces n/f EZ PPI 0.6m, 2.6y JP Labour cash earngs -1.0%
Wednesday	US MBA Mrtge apps n/f US ADP Empl'm't chge 140k US ISM Non-mfg 53.2 UK PMI Services 53 IT PMI Services 44.1 FR PMI Services 46.1 DM PMI Services 50.6 EZ PMI Services 46 EZ Retail sales -0.1m, -1.9y

	Week of 1 <sup>st</sup> October
Thursday	US Jobless claims 370k US Factory orders -2.5% US FOMC Minutes Sept 13 UK BOE Housing equity withdrwl -£8.5B UK BOE AP Target 375B UK MPC Rate decision 0.5% EZ ECB Rate decision 0.75% JP BOJ Rate decision 0.10%
Friday	US Averige wrk week 34.4 US Non-farm payrolls 111k US Unemploy'm't rate 8.2% US Averige hourly earngs 0.2m, 1.8y US Cons CR \$7.50B DM Factory orders -0.5m, -4.3y



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	Week of 24 <sup>th</sup> September
Monday	DM IFO 101.4 <b>WEAKER</b> JP Super mkt sales 1.3% <b>BETTER</b> JP Corp service price -0.3% <b>AS</b> <b>THAN EXPECTED</b>
Tuesday	US Case/schiller comp 20 1.20% <b>MORE</b> US Cons conf 70.3 <b>STRONGER</b> US Hse prices indx 0.2% <b>WEAKER</b> UK BBA home buyer lns 30.533k <b>STRONGER</b> DM GFK Cons conf 5.9 <b>AS</b> JP Sml business conf 45.1 <b>BETTER</b> <b>THAN EXPECTED</b>
Wednesday	US MBA Mrtge apps 2.8% <b>STRONGER</b> US New home sales 373k <b>WEAKER</b> UK CBI Sales 6 <b>BETTER</b> DM CPI 0.0m, 2.1y <b>MORE</b> FR Cons conf 85 <b>LESS</b> <b>THAN EXPECTED</b>

	Week of 24 <sup>th</sup> September
Thursday	US Q2 Persnl consumptn 1.5% <b>WEAKER</b> US Q2 GDP Price indx 1.6% <b>AS</b> US Q2 GDP (A) 1.3% <b>WEAKER</b> US Q2 Core PCE 1.7q/q <b>LESS</b> US Durable goods -13.2% <b>WEAKER</b> US DG Ex-Transport -1.6% <b>WEAKER</b> US Jobless claims 359k <b>BETTER</b> US Pndg home sales -2.6m, 9.6y <b>WEAKER</b> UK Q2 GDP -0.4q, -0.5y <b>BETTER</b> UK Q2 Tot bus invstmnt 0.9q, 3.1y <b>STRONGER</b> UK Q2 C/A -20.8B <b>WORSE</b> UK GFK Cons conf -28 DM Import prces 1.3m, 3.2y <b>STRONGER</b> DM Unemplmnt chge 9k <b>LESS</b> DM Unemplmnt rate 6.8% <b>AS</b> EZ M3 (3M) 3.2% <b>WEAKER</b> EZ M3 (Y/Y) 2.9% <b>WEAKER</b> EZ Cons conf -25.9 <b>AS</b> EZ Bus conf -1.34 <b>WEAKER</b> JP Jobless rate 4.2% <b>WEAKER</b> JP Hsehd spndg 1.8y <b>STRONGER</b> JP Nat'nal CPI -0.4% <b>STRONGER</b> JP Tokyo CPI -0.7y <b>WEAKER</b> JP Retail trade 1.5m, 1.8y <b>STRONGER</b> JP Lrge retailers -0.9% <b>WEAKER</b> JP Ind production -1.3m, -4.3y <b>WEAKER</b> <b>THAN EXPECTED</b>
Friday	US Persnl income 0.1% <b>WEAKER</b> US Persnl spndg 0.5% <b>AS</b> US Core PCE 0.1m, 1.6y <b>AS</b> US Chicago PMI 49.7 <b>WEAKER</b> US U. of Michigan conf 78.3 <b>LESS</b> UK lindx of servces 1.1m, 0.1(3m/3m) <b>LESS</b> FR Q2 GDP 0.0q, 0.3y <b>AS</b> DM Retail sales 0.3m, -0.8y <b>STRONGER</b> EZ CPI Est 2.7y <b>STRONGER</b> JP Vehicle product'n 4.5y <b>BETTER</b> JP Constrct'n orders 8.7% <b>STRONGER</b> <b>THAN EXPECTED</b>



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## US MARKETS: economic background

Last week we high lighted the 3<sup>rd</sup> release of the Q2 GDP data. Although no revisions were expected, the report was revised lower from 1.7% to 1.3%.

The economy was clearly weaker than initially thought and supports the Fed's recent decision to start QE3 as a means of shoring up growth at a time of persistently high unemployment.

Other data released throughout the week was mainly weaker than expected with a big decline in durable goods.

Looking ahead there are several reports due this week, as detailed on the global calendar, but we judge these are the week's **key** releases:

- On Monday; **ISM Manufacturing survey**,
- On Wednesday; **ADP employment change and ISM Non-manufacturing survey**,
- On Thursday; **Jobless claims, Factory orders and FOMC minutes for September 13<sup>th</sup> meeting**, and
- On Friday; **Non-farm payroll, unemployment rate, average hourly earnings and average work week**.

The main event this week is the non-farm payroll report.

The Fed highlighted weak job creation as a major factor behind starting QE3, all eyes will be on this report for signs of any improvement.



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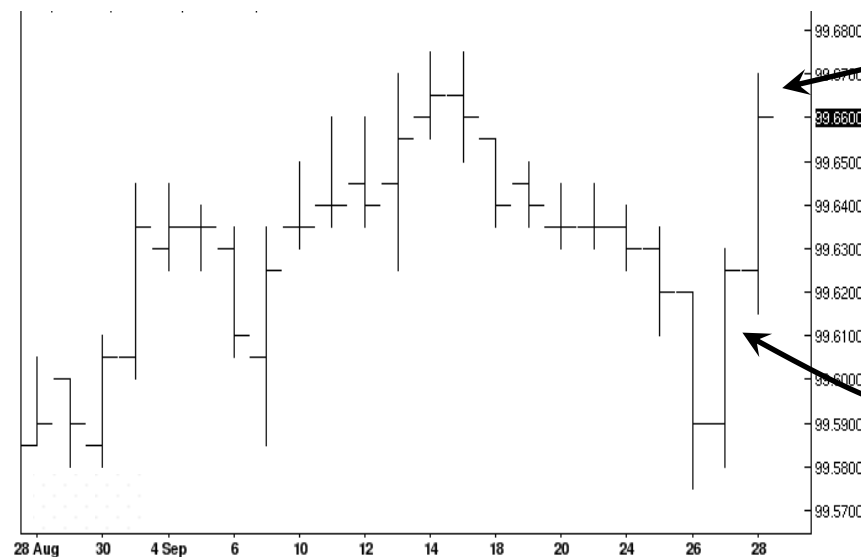
- + GOLD
- + OIL

### Disclaimer

## US MARKETS: Eurodollars

### OUR TRADING STANCE: SQUARE.

Last week we were Square of September 12 Eurodollars.



See how the market spiked on Friday after a weak Chicago PMI survey under scored the economic weakness revealed by Thursday's Q2 GDP report.

**The Macro Trader's view of Eurodollars is;** the sell off that began the previous week, carried through into the middle of last week until a weaker than expected Q2 GDP report caused a reversal.

Friday's data sent the market into full corrective mode almost reaching the recent highs.

Looking ahead the ISM surveys and non-farm payroll are due this week.

The spot light falls on Friday's payroll report, but traders know the Fed is concerned about the slow pace of job creation so the number would need to fall well short of consensus to send this market higher.

However any signs of strength could cause a complete reversal and wipe out last week's gains.

The main interest for us is elsewhere, as we judge this market is essentially range bound, so stay square.



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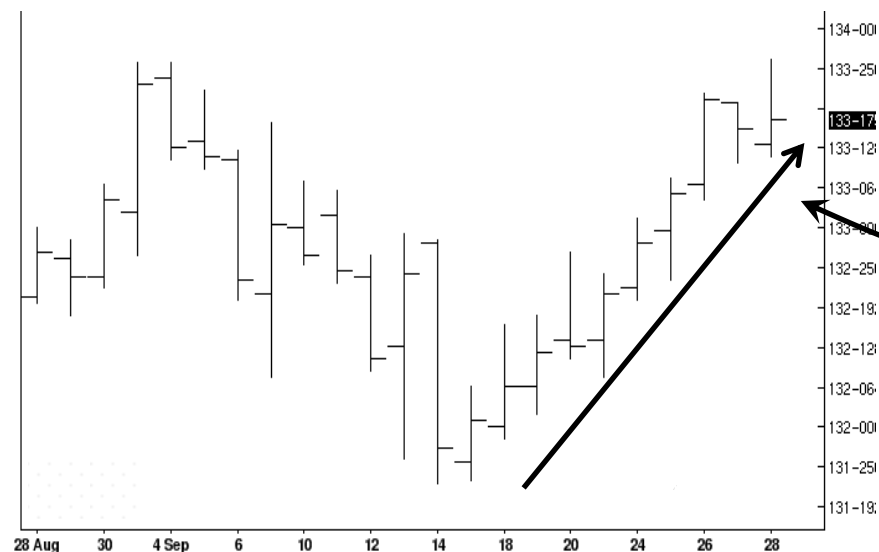
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+ OIL

## Disclaimer

## US MARKETS: 10 Year Note

### OUR TRADING STANCE: SQUARE.

Last week we were Square of the 10 year note.



See how the 10 year note rallied as the Euro zone crisis resurfaced and traders reacted to a weaker than expected Q2 GDP report..

**The Macro Trader's view of the 10 year note is;** the market extended the rally last week as the Euro zone debt crisis remained very much a live issue with the recent optimism generated by the ECB's bond buying program rapidly fading.

Additionally the US economy is revealing its self to be weaker than thought after an unexpected downward revision to Q2 GDP.

Looking ahead weak data this week would drive this market higher, especially if Friday's payroll report disappoints.

But what is likely to have the greatest impact on this market is the Euro zone debt crisis.

Traders are already showing signs of risk aversion, if the news flow from the Euro zone worsens, safe haven assets will be very much back in favour.

For now we judge this market too unreliable, just look at the volatility shown in the chart above, so for now stay square.



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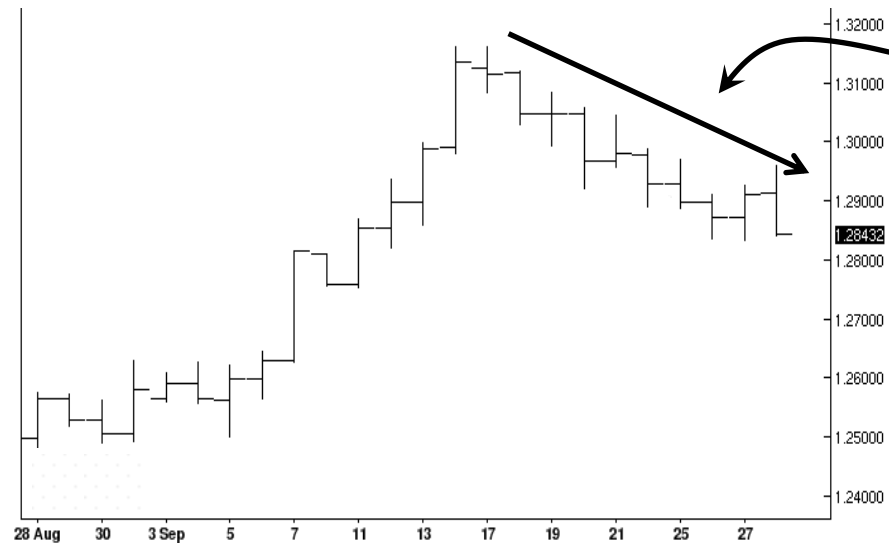
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## Disclaimer

## US MARKETS: US Dollar

### OUR TRADING STANCE; SQUARE.

Last week we were **BEARISH v STERLING & the EURO**.



The Dollar has cemented its recent gains and looks much less vulnerable to the downside.

**The Macro Trader's view of the Dollar is;** the Dollar has performed well over recent days on the back of growing anxiety about the Euro zone debt crisis.

And although US data has been mainly weak, traders are again seeking safe haven assets. The focus remains Spain. Will she seek a full Sovereign rescue or hold out seeking to negotiate favourable terms?

Looking ahead the main event this week data wise is the non-farm payroll report. A weak report could send

the Dollar lower, but it may prove only a temporary move since we judge the Dollar likely to remain very much in demand as a safe haven trade while anxieties are running high about the debt crisis.

Although our stops were not even close to being hit, the change of sentiment relating to the Dollar has forced us to rethink and we have squared up and advise others to do likewise.





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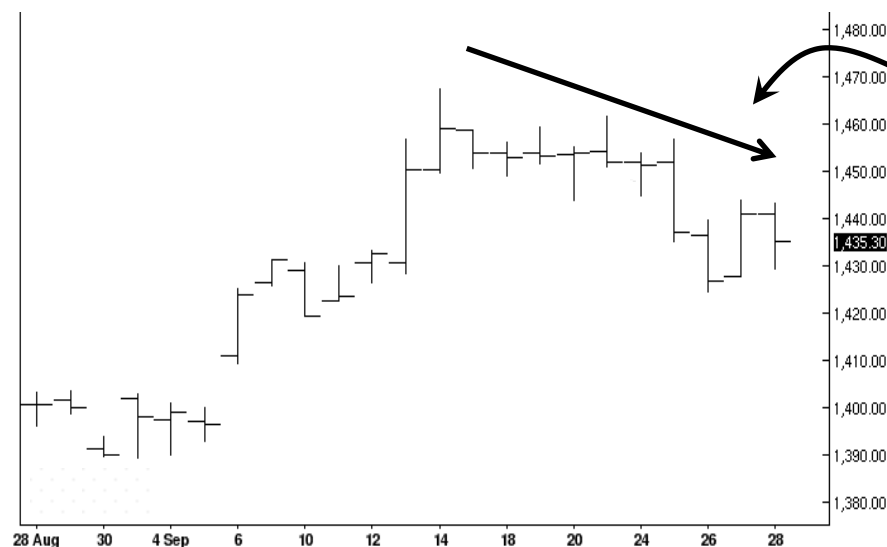
- + GOLD
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## Disclaimer

## US MARKETS: S&P500

### OUR TRADING STANCE; SQUARE.

Last week we were **Bullish** of the S&P 500.



The S&P rally has paused as US data disappoints and the Euro zone is again a concern.

**The Macro Trader's view of the S&P 500** is last week we said...

...“Looking ahead the main event this week is the Q2 GDP report, but we judge this market will be vulnerable to sentiment swings generated by the Euro zone debt crisis”...

The Q2 GDP report was surprisingly weaker than expected at just 1.3% annualised. This undermined sentiment, but what really hurt the rally in equity markets was the growing anxiety about the Euro zone

debt crisis with Spain firmly at its centre.

There are growing concerns about Greece too and even Italy, but Spain is the current focus. She has been expected to seek a rescue deal, but keeps delaying, concerned it seems about any austerity measures that may accompany the deal.

For now we are square after the stop was hit and advise remaining square until a clearer picture emerges.



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## Commodities

+ GOLD  
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## Disclaimer

## UK MARKETS: economic background

Last week we highlighted the Q2 GDP report highlighting the possibility of revisions that are usually less common in the 3<sup>rd</sup> release.

In the event the number was revised up showing the economy performed a little better than originally thought. And although still in recession the hole to climb out of isn't as deep as previously thought.

Looking ahead there are several key data releases due which are detailed on the global calendar, but we judge these are the week's key releases:

- On Monday; **PMI Manufacturing survey, net lending on dwellings and mortgage approvals,**
- On Tuesday; **PMI Construction survey and BRC Shop prices,**

- On Wednesday; **PMI Services survey, and**
- On Thursday; **Bank of England monetary policy decisions.**

The main events this week are the PMI surveys.

The GDP report released last week raised hopes that an end to the recession might be in sight, if the PMI surveys can meet or exceed consensus those sentiments will be re-enforced.



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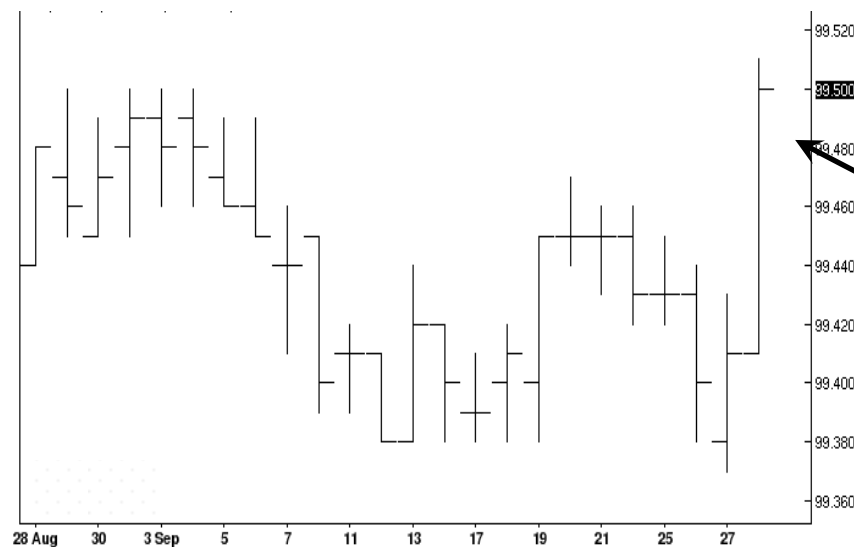
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## Disclaimer

## UK MARKETS: Short Sterling

### OUR TRADING STANCE: SQUARE.

Last week we were Square of September 12 Short Sterling.



Note how Short Sterling spiked on Friday as weak US and Euro zone data fuelled a rally in Short dated interest rate futures markets.

**The Macro Trader's view of Short Sterling is:** last week the market experienced something of a roller coaster ride.

The better than expected data released during the week, centred on Q2 GDP gave rise to a growing belief that the economy was closer to emerging from recession and the Bank less in need of more policy easing.

But sentiment took a knock on Thursday and Friday after weak US Q2 GDP was released and other data confirmed the economy's vulnerability.

Add in weak Euro zone data and a growing fear that the debt crisis could yet have a negative impact on the global economy and this market experienced a strong correction on Friday.

Looking ahead there are important data releases due in the UK, US and Euro zone, but we judge traders will be driven by these and the news flows coming from the Euro zone..

We continue to hold the view that this market is essentially range bound so for now we advise remaining square.



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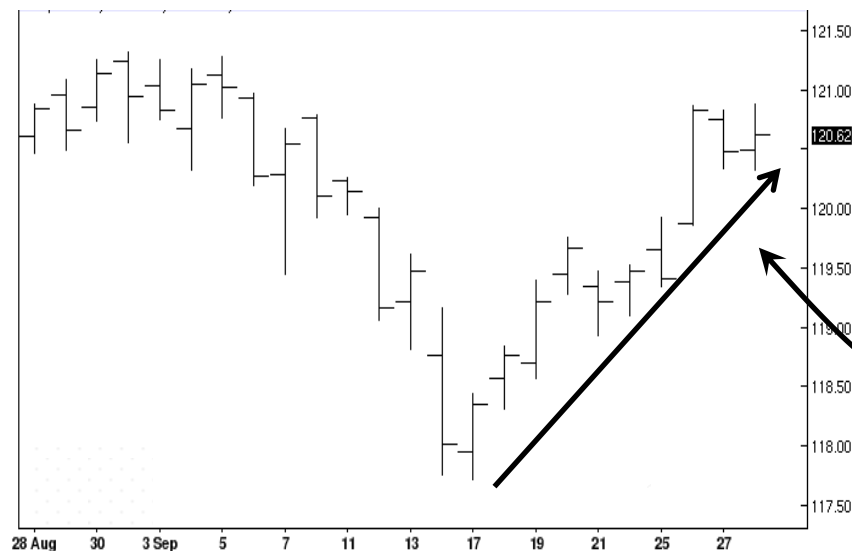
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## Disclaimer

## UK MARKETS: Gilt

### OUR TRADING STANCE; SQUARE.

Last week we were **Bearish** of the Gilt.



See how the gilt rallied last week on renewed Euro zone debt crisis anxiety.

**The Macro Trader's view of the Gilt is;** the Gilt rallied hard throughout last week and we are stopped out.

The factors behind the move are the worsening economic outlook in the UK's main trading partners; the Euro zone and US and the re-emergence of anxiety about a successful conclusion to the Euro zone sovereign debt crisis.

Looking ahead we judge the rise in risk aversion is likely to persist.

It is by no means clear how Spain intends to manage her economic and fiscal problems. The request for a rescue she was expected to make a few weeks ago is

yet to be made. Moreover internal problems in Spain are making the situation look even less clear.

Although there are several heavy weight reports due this week in the UK, US and EZ we judge the debt crisis will continue to dominate.

Safe haven assets such as the gilt are likely to remain in demand, but we are holding back from recommending a long position because the situation and sentiment are so volatile that the market could turn on a penny.

For now we advise remaining square.

More



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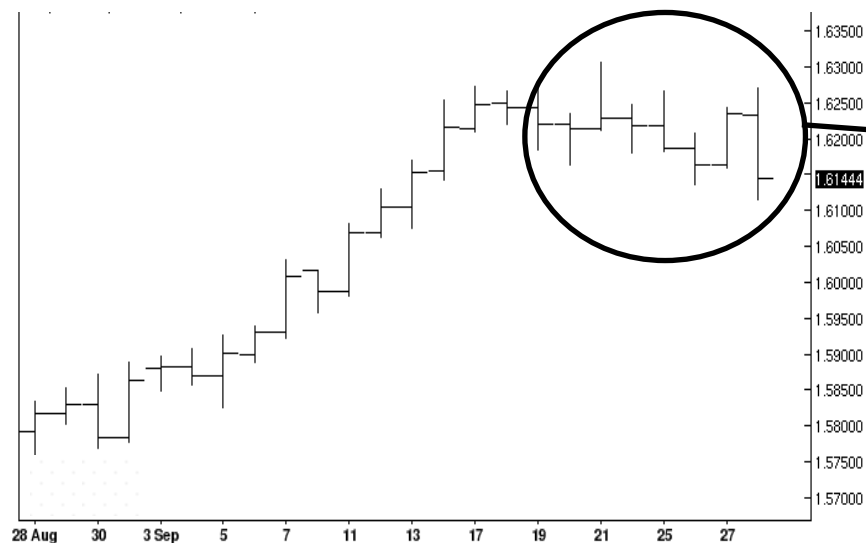
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## UK MARKETS: Sterling

### OUR TRADING STANCE; SQUARE

Last week we were **BULLISH** v the **DOLLAR**



See how Sterling lost momentum last week as the Dollar's safe haven role began to re-emerge.

**The Macro Trader's view of the Pound is;** last week the Pound seemed to lose momentum against the Dollar despite UK Q2 GDP being revised up and US Q2 GDP revised down.

But traders were not reacting to economic data. The dynamic in the market was yet again the Euro zone sovereign debt crisis.

Spain was expected to seek a rescue weeks ago but still hasn't as riots and unrest make her wary of new

EU/EZ/IMF imposed austerity as a condition of the rescue, which the Spanish people currently look in no mood to accept.

Looking ahead we judge this week's data is again likely to pay second fiddle to the Euro zone news flows, but given events are politically driven we judge sentiment could easily turn very quickly. Our response is to remain square and advise others do the same.



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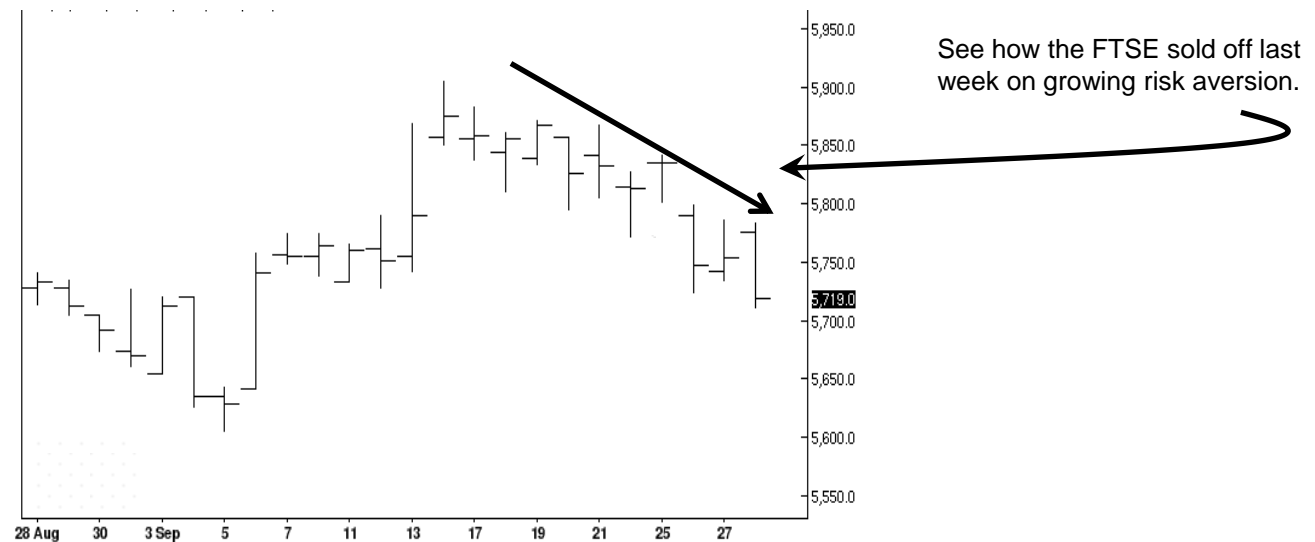
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## UK MARKETS: FTSE

### OUR TRADING STANCE; SQUARE.

Last week we were **Bullish**.



**The Macro Trader's view of the FTSE is;** after the release of better than expected Q2 GDP data last week, this market might have performed better. Especially when the concern was that the report was vulnerable to a downward revision.

But traders were reacting to, as ever, developments in the Euro zone.

The rosy glow of the Fed's QE3 and the ECB's bond buying program has already faded. In there place are renewed angst about the three year old sovereign debt crisis.

With Spain still yet to formally request a rescue, yields are again on the rise and traders have again begun to liquidate risky assets. In there place traders are once more turning to bonds and the Dollar.

As in the past it is impossible to gauge the duration of this bout of risk aversion. An encouraging word from an influential policy maker could re-assure the markets or a lose tongue could make sentiment very much more negative.

In such an unpredictable climate we advise a square position.



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## EURO ZONE MARKETS: economic background

Our focus last week was the German IFO survey as we sought greater clarity on the economic health of the Euro zones largest economy, paymaster and hitherto best performing economy.

In the event the report was weaker than expected, revealing the German powerhouse suffering from signs of fatigue.

Other data released during the week added very little to the debate about the Euro zone economy with the focus of traders and investors centred on the Euro zone debt crisis.

Looking ahead there are several key reports due which are detailed on the global calendar, but we judge these are the week's **key** releases:

- On Monday; **Italian, French, German and Euro zone PMI Manufacturing surveys and Euro zone unemployment,**
- On Tuesday; **Euro zone PPI,**
- On Wednesday; **German, French, Italian and Euro zone PMI Services surveys and Euro zone retail sales,**
- On Thursday; **ECB Rate decision, and**
- On Friday; **German factory orders.**

The main events this week are the various PMI surveys.

The Euro zone debt crisis has again elbowed its way to centre stage, raising concerns again about the health of the Euro zone economy, these surveys will offer important clues.



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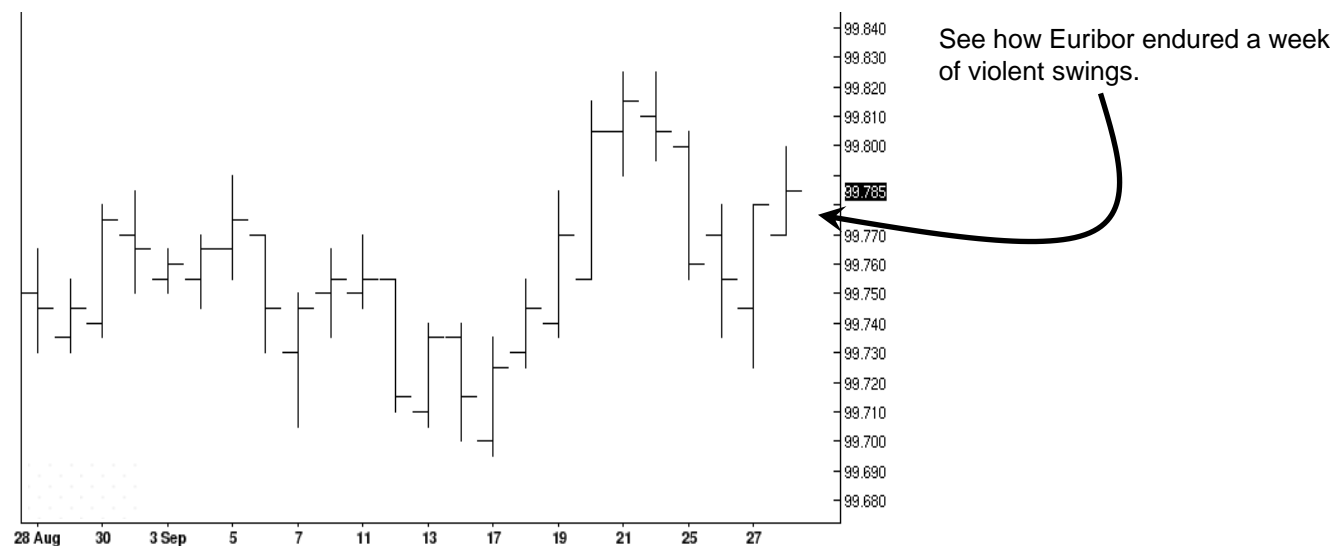
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## EURO ZONE MARKETS: Euribor

### OUR TRADING STANCE: SQUARE.

Last week we were Square of September 12 Euribor.



**The Macro Trader's view of Euribor is;** last week's data was again a cause for concern.

Following the previous week's release of a weaker than expected Euro zone PMI composite survey traders were seeking reassurance; they didn't get it.

The German IFO survey was weaker than expected and so too was Euro zone M3.

Looking ahead the key events this week are the

various PMI surveys. With the Euro zone debt crisis once again the main topic in the markets, a dose of good economic news would go along way to restoring flagging confidence, but I don't think we will get it.

We judge the economic outlook remains grim and the debt crisis still without solution and this market trapped in a wide trading range.

So for now stay square.





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- + 10 YEAR NOTE
- + US DOLLAR
- + S&P 500

## UK Markets

- + SHORT STERLING
- + GILT
- + STERLING
- + FTSE

## Euro Zone Markets

- + EURIBOR
- + **BUND**
- + EURO
- + DJ EURO STOXX 50

## Japanese Markets

- + JAPANESE BONDS
- + YEN
- + NIKKEI

## Commodities

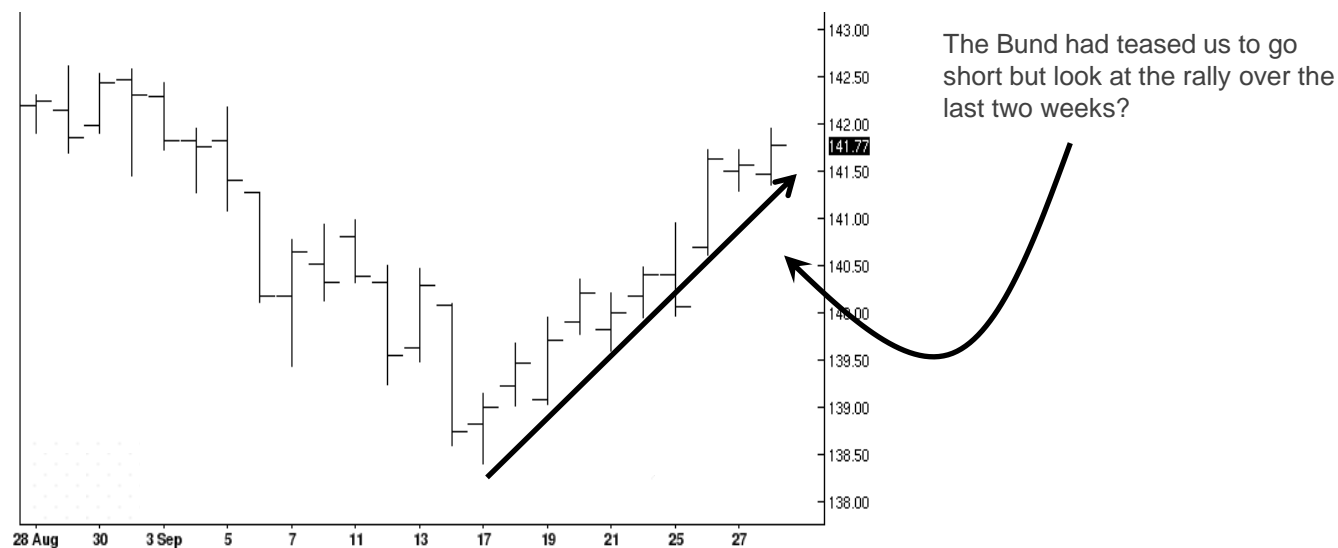
- + GOLD
- + OIL

## Disclaimer

## EURO ZONE MARKETS: The Bund

### OUR TRADING STANCE: SQUARE.

Last week we were Square of The Bund.



**The Macro Trader's view of the Bund is:** a couple of weeks ago we had almost been seduced into going short of the Bund.

The ECB finally played its ace card and announced a new open ended bond buying program and the Fed started QE3. Anxieties seemed to ease as the Euro zone was thrown a breathing space to get its house in order.

That breathing space was mercilessly short lived. Once again the debt crisis is centre stage. Risky

assets shunned and safe haven trades, including the Bund in demand.

We see nothing due to be released this week that will alter the markets appetite for safe haven assets. Sentiment can only be turned by the delivery of a plausible debt crisis solution; not yet in evidence.

But, given the fickle nature of sentiment we are not seduced into going long.

Rather we prefer to remain square.



## Summary

## Global Calendar

## US Markets

+ EURODOLLARS  
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+ STERLING  
+ FTSE

## Euro Zone Markets

+ EURIBOR  
+ BUND  
+ EURO  
+ DJ EURO STOXX 50

## Japanese Markets

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+ YEN  
+ NIKKEI

## Commodities

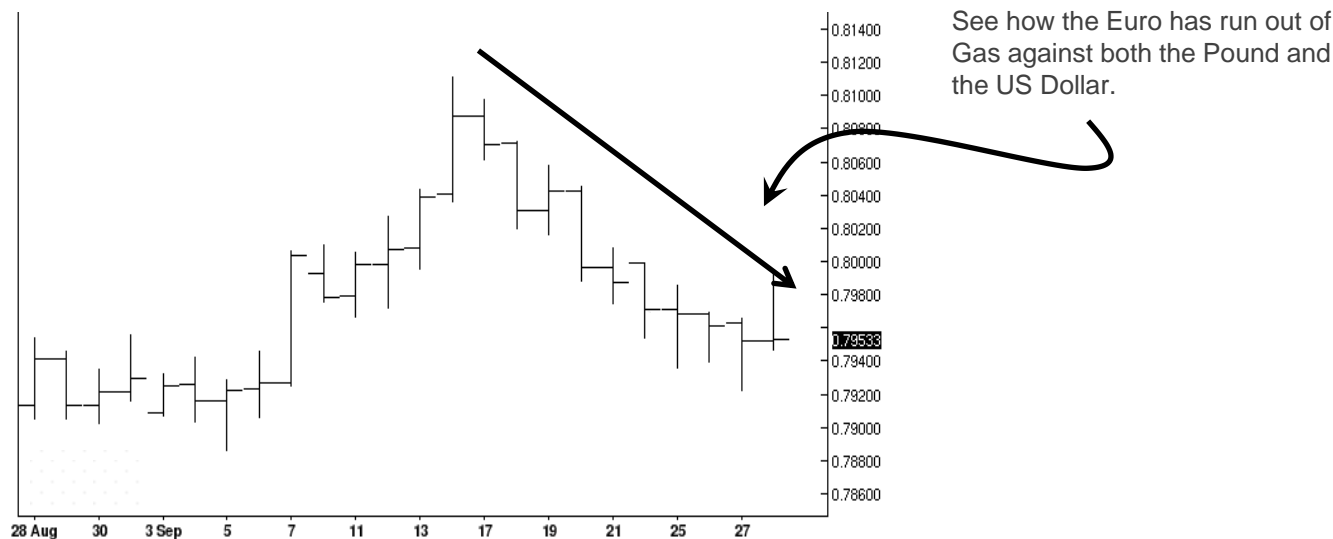
+ GOLD  
+ OIL

## Disclaimer

## EURO ZONE MARKETS: The Euro

### OUR TRADING STANCE: SQUARE

Last week we were **BULLISH** v the **DOLLAR** .



**The Macro Trader's view of the Euro;** the period of grace afforded the Euro has ended.

The breathing space created by the ECB's bond buying program was always going to have a finite shelf life, it was just shorter than everyone thought.

The debt crisis has returned once more to haunt the Euro and despite weak US data the Euro is unable to hold its ground.

We are now square of the Dollar/Euro position we suggested.

Looking forward we judge the Dollar can strengthen further on safe haven buying, but the Dollar's support is derived from fear generated by the debt crisis.

As we have seen in the past it is impossible to predict how long it will dominate traders thoughts and actions and that makes trading much harder since much of the price action in markets lately is a result of mood/sentiment swings with data playing a much reduced role.

For now we advise remaining square.



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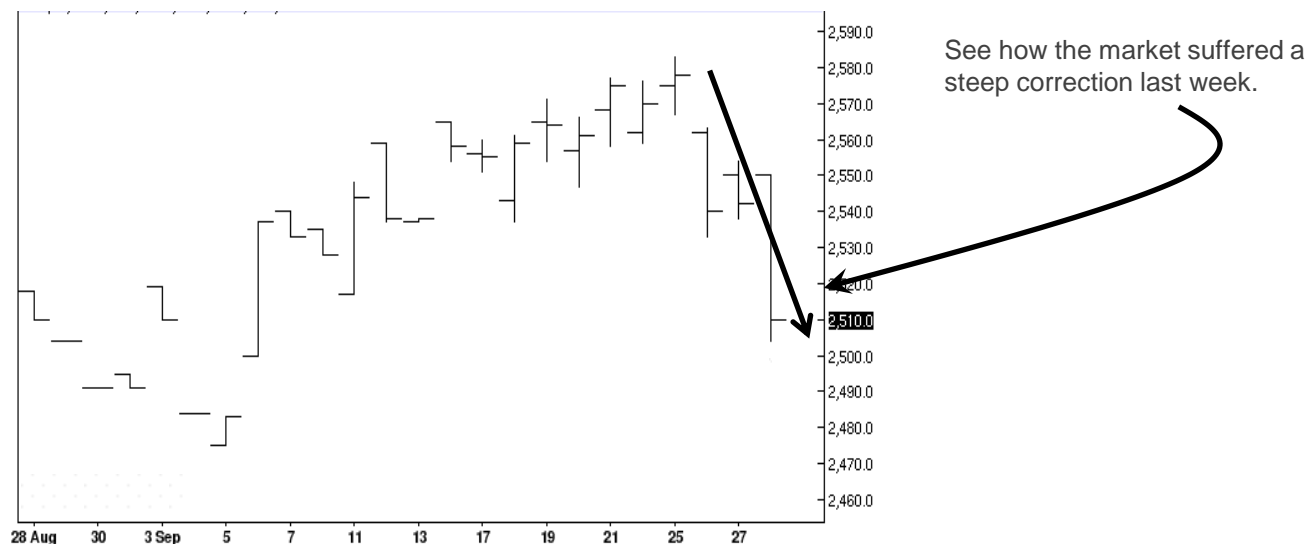
- + GOLD
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## Disclaimer

## EURO ZONE MARKETS: DJ Euro Stoxx 50

### OUR TRADING STANCE: SQUARE.

Last week we were Square of DJ EUROSTOXX50.



**The Macro Trader's view of DJ Euro Stoxx 50 is:** equity markets fell prey to risk aversion last week and none more so than this.

The dominant theme in markets is again the debt crisis.

After 3 years still no resolution.

Traders have already discounted the impact of the ECB's bond buying program and are frustrated by Spain's slowness in requesting a rescue.

Throw in weak economic data, not just in the Euro zone, but globally and equity markets are a risk many traders are suddenly unwilling to take.

Looking ahead there are key releases due from the leading economies which are unlikely to lift the mood.

Traders are likely to remain driven by developments in the Euro zone debt crisis.

For now stay square of a volatile and unpredictable market.



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## Commodities

+ GOLD  
+ OIL

## Disclaimer

## JAPANESE MARKETS: economic background

Last week we highlighted the Industrial production report, but it was much weaker than expected, in fact last week's data was really a mixed bag with retail data stronger, but large retailers weaker.

On balance the economy is still struggling for traction, but with China cooling and the other leading economies fairing no better, the outlook for Japan remains patchy at best.

Looking ahead there are several key reports due which are detailed on the global calendar, but we judge these are the week's **key** releases ;

- On Monday; **Tankan survey; large manufacturers,**

- On Tuesday; **Labour cash earnings, and**
- On Thursday; **BOJ rate decision.**

The key release this week is the Tankan survey.

It gives a wide ranging assessment of the economy's prospects going forward.



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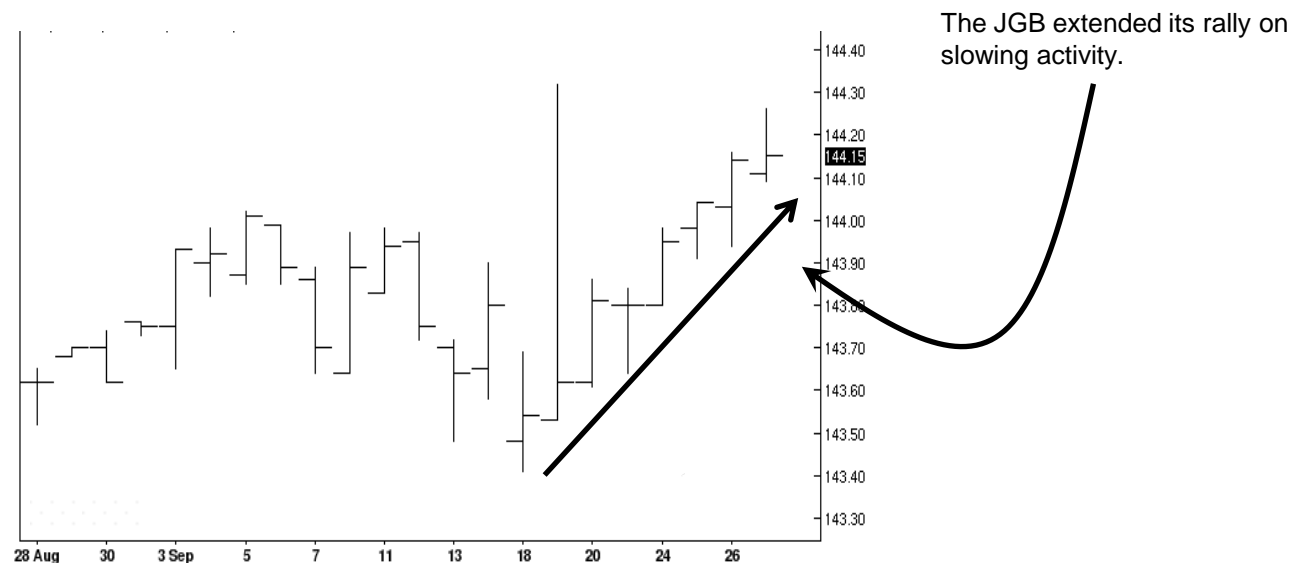
- + GOLD
- + OIL

## Disclaimer

## JAPANESE MARKETS: Japanese Bonds

### OUR TRADING STANCE: SQUARE.

Last week we were Square of Japanese Bonds.



**The Macro Trader's view of the JGB is:** the Industrial production report was disappointing but other data released last week was better.

However the economy looks stuck very much in the slow lane veering towards the hard shoulder.

With key overseas markets slowing or already in recession Japan doesn't have the luxury of being able to export her way back to health.

Indeed China, Japan's neighbour and key trading partner is seeing her own economy cool too.

Looking ahead there are few key releases due this week, but we judge the JGB will be swept along by sentiment that currently derives from the Euro zone and drives the other leading government bond markets.

For now stay square in an environment that remains volatile and lacks clarity.



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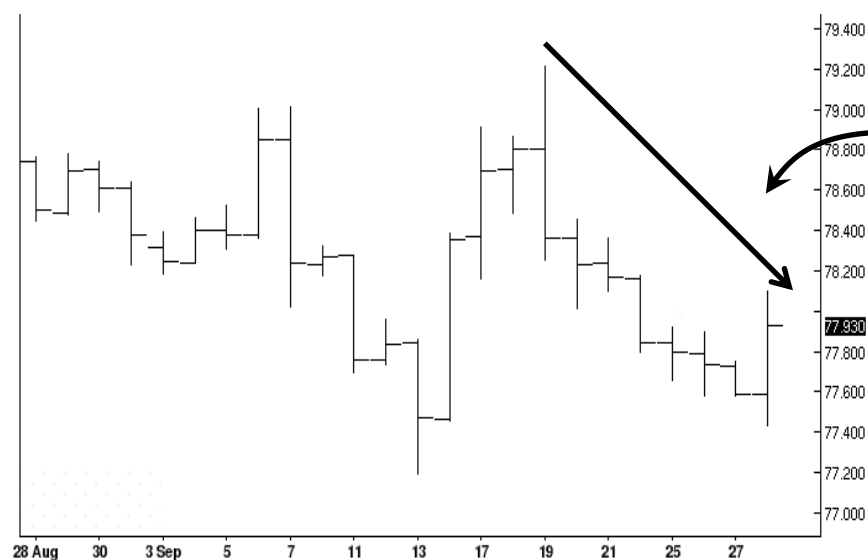
- + GOLD
- + OIL

## Disclaimer

## JAPANESE MARKETS: Yen

### OUR TRADING STANCE: SQUARE.

Last week we were Square.



The Yen benefited from the deepening sense of crisis once again gripping the Euro zone.

**The Macro Trader's view of the Yen is;** the Yen continues to probe the upside against the Dollar driven by safe haven buying.

Although the Dollar has strengthened recently, against the Euro, the move is one of Euro weakness rather than Dollar strength.

The Euro zone debt crisis is once again the dominant factor in markets. Were it not the Dollar would be rather more vulnerable as US data has been weaker than expected.

The Yen is again in demand as a safe haven trade despite Japan's own weaknesses.

Looking ahead this week sees the release of several very important data release in the US, UK and Euro zone but we judge trading will remain driven by the enduring debt crisis..

We advise remaining square.



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## Commodities

- + GOLD
- + OIL

## Disclaimer

## JAPANESE MARKETS: Nikkei

### OUR TRADING STANCE: SQUARE.

Last week we were Square of the Nikkei.



See how the Nikkei followed other Equity markets lower on debt crisis worries and weak data.

**The Macro Trader's view of the Nikkei is;** the Nikkei sold off further last week as traders globally ditched equities for the relative safety of the Dollar, Yen, Treasury market, Gilt and Bund.

And with the economies of both Japan and China suffering too this market found no natural support.

Looking ahead this week's data is unlikely to lift the mood. The Euro zone Sovereign debt crisis remains a

major force in global markets three years after it first broke and still there is no solution on the table.

With traders risk appetite in a constant state of flux due to the swings in sentiment and general lack of clarity we advise remaining square..



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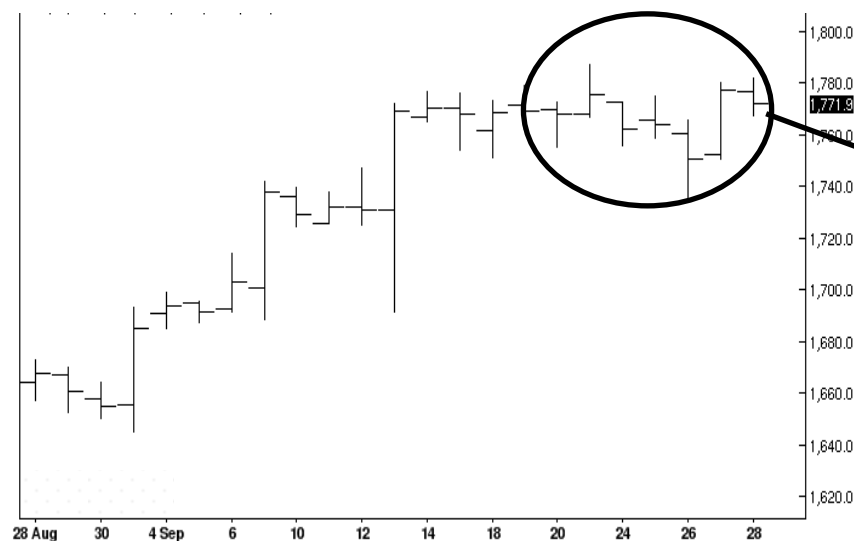
- + GOLD
- + OIL

## Disclaimer

## COMMODITIES: Gold

### OUR TRADING STANCE: BULLISH.

Last week we were **Bullish** of Gold.



See how gold held up well last week even as the Dollar staged a recovery.

**The Macro Trader's view of the Gold is:** last week's price action was encouraging as Gold held up quite well despite the Dollar's recovery.

We judge traders are uneasy by the fundamentals behind both the Euro and the Dollar and see gold as the most viable alternative.

Even though the US economy is currently weak, traders are starting to fret at the future outlook for inflation. The current state of the economy hardly gives cause for concern, but some worry that given the monetary policy stimulus in the US economy and abroad, should economic activity recover, the Fed and

others will not be able to withdraw the stimulus fast enough to avoid inflation.

We judge this is a problem the Fed currently would gladly have but judges as a slim risk. But there is a large enough section of investors that see this as a risk and will keep buying Gold.

Traders should remain long of this market.

Our target remains 1798.00 and our stop continues at 1720.00 for close protection in still very uncertain conditions.





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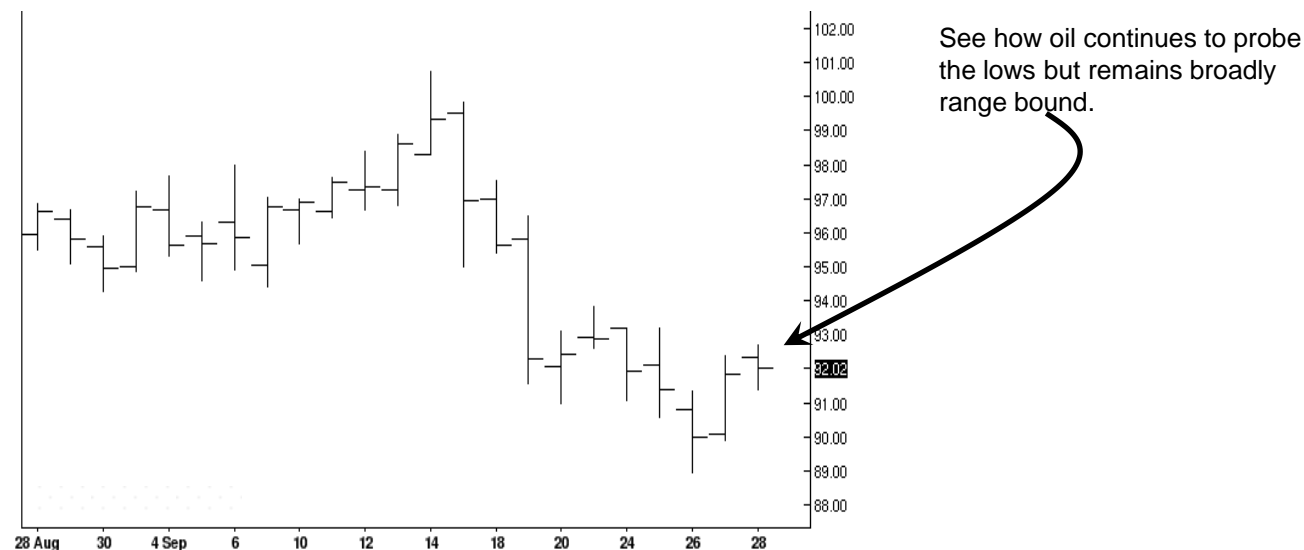
- + GOLD
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## Disclaimer

## COMMODITIES: Oil

### OUR TRADING STANCE: SQUARE.

Last week we were Square of Oil.



**The Macro Trader's view of oil is:** last week we said and repeat...

...“Despite clear economic weakness in the leading economies, oil seems to enjoy solid support, which we judge is derived from the uncertainty coming from the conflict in Syria and the unproductive dialogue with Iran about her nuclear program”....

...“On balance we judge geopolitical concerns have for now replaced economic worries as the main dynamic in this market”...

But the market seemed to wake up last week as the focus of attention was the Euro zone debt crisis and the

implications that holds for economic growth and energy demand.

The market did test the downside, but found support and we judge oil remains trapped within a wide trading range.

However if an important economic report showed greater than expected weakness or the debt crisis took a new negative turn, we judge this market would break to the downside and present a good selling opportunity.

But for now amid the current uncertain environment stay square.



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- + YEN
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## Commodities

- + GOLD
- + OIL

## Disclaimer

### SEVEN DAYS AHEAD

Authorised and Regulated by the FSA

124 REGENTS PARK ROAD LONDON NW18XL

TEL +44 (0) 7849 922573 E-MAIL [jlewis@sevendaysahead.com](mailto:jlewis@sevendaysahead.com),

[msturdy@sevendaysahead.com](mailto:msturdy@sevendaysahead.com)

WEB SITE [SEVENDAYS Ahead.COM](http://SEVENDAYS Ahead.COM)

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