



Energy sector takes markets lower after choppy session

After a lower open yesterday markets rallied into the US session, supported by better than expected ISM and Construction spending. However markets sold off heavily in the last hour of the session. All focus was on the Gulf of Mexico with comments from the coastguard that BP had stopped attempts to stop the leak and President Obama announced a criminal investigation of BP. Energy stocks led the fall -4.3% with materials -3.1%. Look out for Challenger Job Cuts, a precursor to Fridays Non-farm payroll number, plus Vehicle and Homes sales.

Portfolio view: Jobs numbers key for short-term direction

This morning, after weeks of high volatility, the market lacks direction. We remain in a bearish trend which has seen the fall from 1220 to 1043 in the S&P500. At 1075 the market awaits Friday's US employment numbers to signal the next move.

Consensus forecasts see the US adding 500000 new jobs in May, census workers somewhat muddied this number. However after last month's +290k, this would be a positive signal of growth. More encouraging is that many analysts are more positive on Friday's number with some predicting an addition of as much as 800k new jobs.

Commodity	Price	1 Day Change
Brent Crude	72.81	0.14%
Baltic Dry	2,991.00	-0.10%
Gold	1,125.00	1.29%
Copper	7,885.00	-2.72%
Silver	18.42	-0.07%
Dollar Index	86.73	-0.18%

Currency	Price	1 Day Change
Eur / Usd	1.2242	0.11%
Eur / Gbp	0.83054	0.51%
Eur / Yen	112.13	-0.81%
Gbp / Usd	1.4739	0.60%
Usd / Yen	91.60	-0.72%

Stock Index	Latest	1 Day Change
ISEQ	2,968	-0.49%
FTSE 100	5,095	-1.32%
NIKKEI 225	9,603	-1.12%
DOW JONES	10,024	-1.11%
S&P 500	1,071	-1.72%
NASDAQ	2,222	-1.54%
CAC 40	3,475	-0.80%
DAX 30	5,920	-1.02%
EUROSTOXX	2,583	-0.90%

10 Year Benchmark	Yield %	1 Day Change
United States	3.28	0.62%
United Kingdom	3.57	-0.03%
Germany	2.65	-0.82%
Japan	1.24	-1.44%
Ireland	4.89	-0.22%



We feel that a number at or above 500k will be positive for equities and would expect the market to test their resistance levels (S&P500 200 DMA at 1105). We also see the possibility of US stocks 'de-coupling' from European names this month as focus shifts towards 2nd quarter earnings numbers in July.

Volatility remains high so caution is recommended. A poor jobless number would feed the bears appetite and markets could retest their recent lows.

Top 5 Open Position

Ticker	Stock	Price	BID now	Gain/Loss
LGF	Lions Gate	5.59	6.83	+22.2%
DNDN	Dendreon	39.14	42.41	+8.4%
EMC	EMC Corp	16.83	18.49	+9.9%
QQQ	Nasdaq Trust ETF	42.6	45.18	+6.1%
AZN	AstraZeneca Plc	2760	2928	+6.1%

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